◆ Why everyone but you can see your medical records
◆ Morton Mintz on murder, deception, and respectable businessmen
◆ Also: Sam Donaldson, William E. Colby, Gregg Easterbrook, Thomas J. Peters, & Jonathan Alter

# The Washington Monthly

OCTOBER 1986/$3.00

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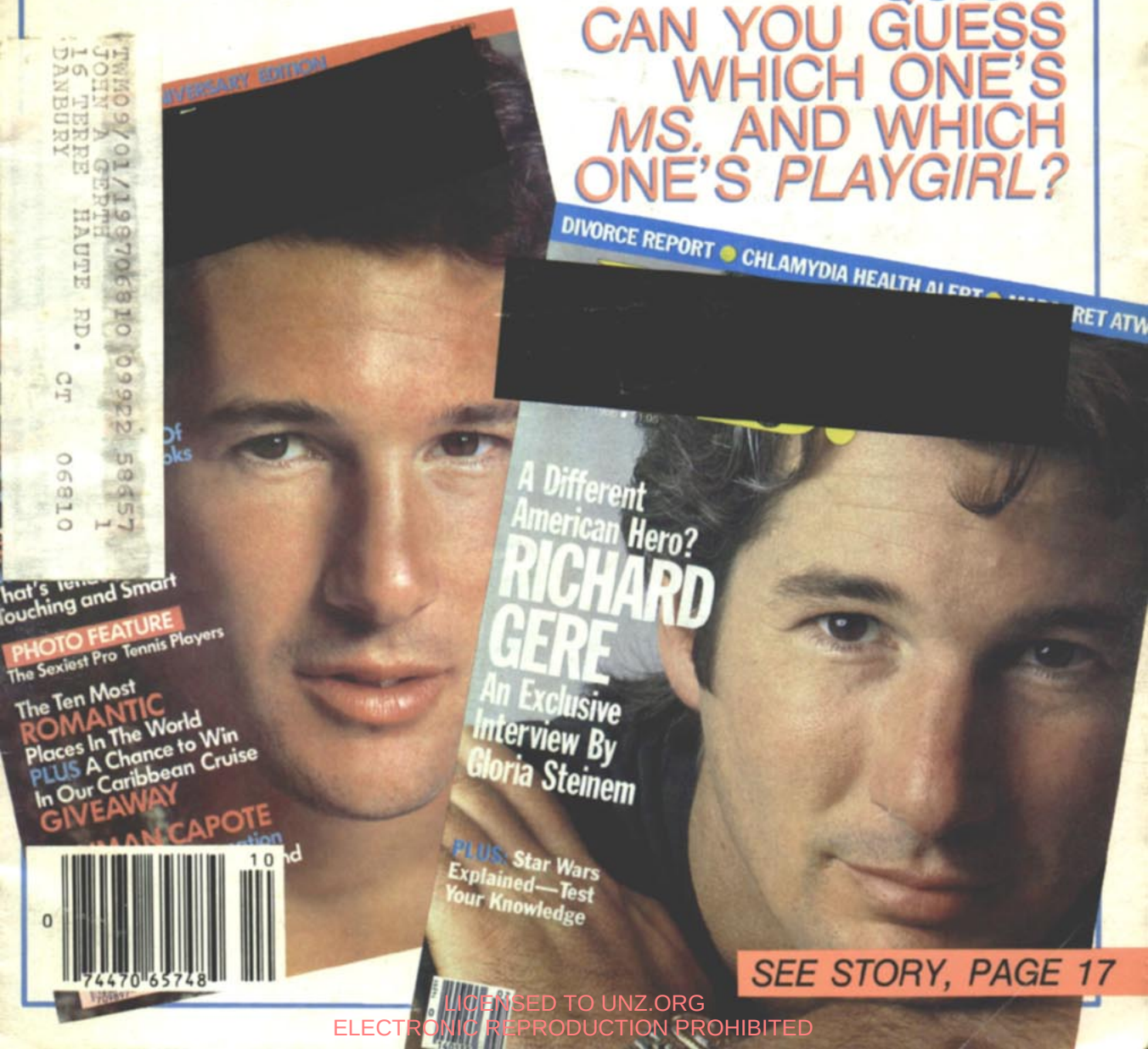


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# LETTERS

## No dream to defer

I was amused by Juan Williams's "how are the mighty fallen" theme in your piece on Marion Barry ["A Dream Deferred," July/August] and wondered if this was disingenuous groping for a hook for the story or if you actually believed that the once pure and noble had become corrupt? I worked with Marion for many years in SNCC and was always overcome with surprise when he did anything altruistic, and felt ashamed of myself for having judged him (or anyone) to be incapable of such acts. This is not to say he was not brave and lucky—no great shakes, but brave enough—but I don't think he meant to be self-sacrificing; just that his better nature sometimes got the better of him.

The real shock to me was the revelation about Ivanhoe Donaldson. I had thought, *there* was a real success story. He had risen so high and done so well, when, as the lad I knew, he'd been crazy as a tick. It's upsetting to see he's become self-destructive when before he was simply too nutsy to even hold a coherent conversation with himself; but not a shred of self-defeat in that.

SHEILA MICHAELS
New York, New York

Black voters should stop automatically supporting corrupt and incompetent mayors like Marion Barry, argues Juan Williams.

Williams contends that there's nothing progressive about supporting bad leaders just because they're Black. The same logic applies to foreign policy. The time is long overdue for American blacks and everyone else to stop making excuses for oppressive black regimes.

Zaire's Mobuto has stolen more wealth than anyone else in the world, Marcos included. Ethiopia's Mengitsu is a mass murderer who has deliberately starved millions. And Zimbabwe's Mugabe is just an ordinary thug. There's nothing progressive about dictatorship, regardless of the race of the dictator.

DAVID B. KOPEL
New York, New York

## Grazed

I have been nodding at Charlie Peters's sage utterances so long that I had started to endow him with a kind of political infallibility. His recent thunderings on grazing permits ["Tilting at Windmills," July/August] have restored my senses. They are typical of the kind of sublime Washingtonian ignorance with which we in the West are all too familiar.

I am a grizzled young rancher with what Peters would regard as a real Golconda in federal grazing permits...and about a million dollars in debts. *Any* increase in the grazing fee would be the end of my operation and those of all of my neighbors. It would also gong doom for the ethical and spiritual systems which accompany western family ranching. Systems of which I would expect Peters's approval.

I certainly don't know anybody who's living in the Brown Palace Hotel on the soiled earnings of a federal sublease. For one thing, subleasing is strictly prohibited by the Forest Service (which has most of the public grazing land around here). For another, anyone wishing to lease grazing lands can simply take advantage of the many thousands of acres which have fallen into non-use due to collapsing livestock operations, paying nothing to the original permittee.

Most outside grazers prefer to lease private lands anyway. While a private lease will cost twice as much (*not* eight times, as Peters wildly alleges) as a federal one, it includes fencing, livestock supervision, some veterinary costs, and freedom from meddling by idiotic federal land managers. (If Peters thinks the DOD has some bureaucratic fools, he should get to know the Forest Service....)

JOHN PERRY BARLOW
Coru, Wyoming

## Return to NORML

I appreciate *The Washington Monthly* covering the activities of the National Organization for the Reform


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of Marijuana Laws ["NORML's Bad Trip," Amy Cunningham, July/August]. However, since the article only focused on one aspect of our programs, it presented an extremely distorted and highly inaccurate description of NORML.

NORML is involved in a wide range of activities: we support efforts to reform the marijuana laws; sponsor annual seminars on the health effects of marijuana; sponsor conferences on the political and social implications of marijuana; publish reports on a wide variety of marijuana-related issues, including corruption of public officials, adolescent marijuana use, marijuana arrests and economics of marijuana prohibition; bring legal challenges to extreme enforcement practices and other marijuana policies, like the prohibition against marijuana as a medicine and the use of herbicides in marijuana eradication. We also publish a newsletter, *The Leaflet* and a magazine, *Common Sense for America*.

In addition, our criminal defense seminars were inaccurately described, but since the author of the article never attended one of our seminars, and just relied on "hearsay," that is not too surprising. For example, the seminar the article focused on was not on cocaine defense; the fact pattern used in the seminar was a marijuana case. But, this wasn't mentioned in the article, nor was it mentioned that most of the attorneys attending are young lawyers who should be learning from the best criminal defense lawyers in the country who speak at our seminars.

KEVIN ZEESE
Washington, D.C.

*Kevin Zeese is the national director of NORML.*

*Amy Cunningham responds:*

When lawyers like Howard Weitzman, Al Kreiger, Michael Stepanion, Larry Turner, and Jeff Weiner get together to teach drug law, they don't just talk marijuana. It may be true that the fact pattern studied by pro-NORML lawyers last December involved a large amount of marijuana. But combating the government's use of informants in big pot *and* coke cases was also discussed, as well as how to develop a drug-case appeal when there are multiple defendants, and how to cross-examine an informant in a drug case involving wiretap evidence. This is 1986—the year of coke and designer-drug lust. Beating old-fashioned pot misdemeanors is a crusade of NORML's past, and the strategems offered at NORML's legal seminars pertain to coke cases *as well as* multi-ton marijuana busts.

It would help if NORML could provide resources, stimulate reform activity, and monitor legal developments—in much the way it already does—from a standpoint that is laudable and credible, and not tainted with talk about how to defend coke smugglers.

OOPS...
In last month's Who's Who section we reported that Thomas W. M. Smith was the outgoing ambassador of Nicaragua. We were only off by a few thousand miles. He was ambassador to Nigeria.


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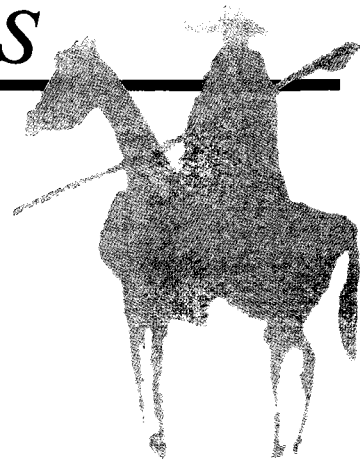
# TILTING AT WINDMILLS



In 1959, Eugene Burdick and Charles Lederer wrote a book, *The Ugly American*, that called dramatic attention to some grossly insensitive behavior by Americans serving abroad. Perhaps now is the time for it to be re-issued. Or at least for a copy to be made available to George Bush's advance team. Or for an entire new chapter to be written based on the misadventures of that team as it prepared for the vice president's visit to the Mideast this summer. To explain what I mean, here is an account by Charles P. Wallace of the *Los Angeles Times* of the staff's behavior when it arrived in Jordan:

"The Bush staff demanded helicopters to ferry Bush, his staff, his Secret Service detail and the entire entourage of traveling press. . . .The Jordanians protested that their tiny Air Force did not have enough helicopters for so many people. . . .An aide to Bush then turned to the Jordanians and suggested that if they could not provide the helicopters they should borrow them from the better-equipped Israeli Air Force."

Incredibly enough, the aide did not seem to realize that Jordanian officials who want to stay healthy do not risk offending the entire Arab world by asking favors of the Israelis.

In order to get the best camera angles and interesting backdrops, "the Bush party demanded that camels be present at every stop on Bush's itinerary, even though they are rarely seen in Jordan except at remote locales."

"Another Bush aide," adds Wallace, "suggested that the Jordanian army band change its uniforms from white to red."

During the planning for a brief visit Bush would pay to a Jordanian army base, still another Bush aide suggested that the Jordanians hoist the American flag over the base. . . .

It is troubling to believe that the Chief Justice of the United States is a liar, but I have reluctantly concluded that that is exactly what William Rehnquist is. The lie came when he said he "did not recall" challenging voters in Arizona in the 1960s. Anyone who has ever participated on that level of electoral politics knows that a voter challenge is an emotionally charged event, sometimes involving physical violence and almost always including hostile verbal exchanges. It is an occasion one never forgets. Never. . . .

As a long-time admirer of the upright ways of the Amish, I was immediately attracted to a front-page photograph in *The New York Times* that carried this headline: "Amid Troubled Times for Farmers, Amish Thrive." The smaller type under the headline read: "A mule-drawn wagon bringing in part of the tobacco crop on an Amish farm in Lancaster County, Pennsylvania, where family farms are prospering." Does everyone sell out some way? I hope not, but I can't tell you how disheartening I found this news. . . .

"Let them drink lemonade" may be the way to deal with private clubs that discriminate against blacks or Jews or women. Such discrimination has long been a problem in this country, but the tendency has been to let the clubs get away with it because they are private. In recent years, however, critics of the discriminatory practices have begun to take a look at the various public benefits conferred on such clubs. In the case of Maryland's Burning Tree Country Club, which refused to admit women, a real estate tax break granted by the state was questioned. Now comes what I feel will be the decisive blow. It is aimed at the Cosmos Club in Washington, which also refuses to admit women. The city is threatening to take away its liquor license. My prediction is that the Cosmos Club will quickly see the merit of reform. If there's one thing the fellows love more than their prejudices, it's booze. . . .



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Wanting to be sure I know what I'm talking about *this* time, I will wait until next month to answer John Perry Barlow (see Letters). But I must immediately concede that he is right in suspecting that my discussion of grazing permits does not reflect a wealth of personal experience on the range. Indeed, my first-hand knowledge of sheep and cattle has been largely confined to those unfortunates who have met their maker. Certainly I have never herded animals of any kind. Of course, few journalists have done the things they write about. It is not a problem I take lightly, however. It is, in fact, why I have tried to focus this magazine on the areas of politics and government that are reasonably close to my own experience as a lawyer, legislator, bureaucrat, and politician.

But it is not enough to know about the internal processes of public institutions. One must also understand the problems with which they are supposed to deal. In the case of grazing, my ignorance of the problem may have betrayed me. I have noticed a similar ignorance of problems in my fellow journalists' discussions of this year's tax bill. Few, if any, have ever been businessmen, so they have little personal feel for how the various provisions of the law will affect an enterprise or the entrepreneur who is trying to run it or get it started.

Take my friend Michael Kinsley, who got his start in journalism here and is now the brilliant editor of *The New Republic*. He recently wrote: "Venture capitalists—belying their self-image as business buccaneers—whine that they will have to pay the same 28 percent top rate in their capital gains that other investors pay on dividends and interest. But why should the government tax one kind of investment over another?"

If you have ever raised money for a business—as I have and Michael has not—you know that, while there are capitalists who invest in new businesses out of a spirit of adventure or a benevolent desire to assist a struggling enterprise, most are motivated at least in part by a desire to make money. If they can make more on dividends and interest from other investments, they are likely to decide they just want to be plain old capitalists and forget that venture stuff. And this is particularly likely when, as I pointed out in the July/August issue, prominent advisors like Jane Bryant Quinn are urging them to avoid new businesses. At such times, tax incentives are needed to help these fellows decide to take the risk. If there had been no such incentives, *The Washington Monthly* would almost certainly not have been born. And in that lamentable non-event, the world of journalism might have been denied the genius of Michael Kinsley. Do you know the other career he was contemplating at the time he worked here? It was the law. At this very moment, he could be reading fine print in the library at Arnold and Porter. . . .

Another mangled news story of this tax reform year has been the one about the IRA deduction. It was originally enacted to help people who did not have private pension plans. Subsequently it was expanded. None of this year's tax reforms proposed to do away with the deduction, the most that was suggested was cutting it back to apply only to the original group who had no private pensions. But repeatedly I saw or heard the reforms misrepresented as virtually eliminating the deduction. In the chart used by the *Charleston Gazette*, my hometown paper, to show how the state's congressmen vote each week, the vote on whether to maintain the expanded deduction or return to the original deduction was stated: "Keep the IRA Deduction?" with "Yes" or "No" as the only possible positions. This made it appear that the congressmen who had voted "No" were against the original as well as the expanded IRA. . . .

If, however, the *Gazette* erred in this respect, it attoned this month by supplying even more than its usual reliable grist for "Tilting at Windmills."

For instance, it helped explain the ever higher cost of higher education with this point: the cost of administration at West Virginia University has risen 61 percent since 1981.

Another interesting fact uncovered by the *Gazette* is that between 1974 and 1984 the number of women arrested in West Virginia has risen 38 percent.

Finally the *Gazette* discovered that the average



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state government retiree got his contribution to the retirement fund back within two years and three months. As I recently pointed out, the average federal retiree gets his back at the end of 18 months. This means that after a few months more to cover the interest earned by their contribution, the rest of us will pay their pensions for the rest of their lives....

The Department of Labor publishes a four-page employee newsletter called "You Name It!" Its masthead states "The Secretary of Labor has determined that this periodical is necessary in the transition of public business as required by law." Perhaps you will understand why the secretary came to this determination when you learn that his name appears seven times in those four pages....

During recent months Blue Shield of California has been enclosing with its bills a post card addressed to Senator Alan Cranston in Washington. Attached to the card is this note from the president of Blue Shield:

"Dear Subscriber: Blue Shield of California has been nonprofit and tax exempt since its founding. Our nonprofit status has helped us keep your health care rates affordable. This is now being threatened by a provision in the House version of the tax reform which would tax Blue Shield Plans for the first time.

"Senator Alan Cranston has agreed to oppose this tax. Please express your appreciation by tearing off the attached preaddressed card, filling in your name and address and mailing it today. By saying thanks, you let Senator Cranston know you are aware he is doing everything possible to hold down the cost of your health care protection."

It just happens that Senator Cranston is running for re-election this fall. How would you feel if you were his opponent?...

I was delighted to see that, in a recent column, William Safire joined our ten-year campaign to call in the big bills by recommending that the Treasury Department substitute new $100 bills colored blue for the existing $100 greenbacks that have been the drug dealers' currency of choice. This could cost organized crime billions of dollars, because the crooks will be afraid to walk into the bank and exchange their bundles of cash if they know the transactions will be reported to the IRS.

The only arguments against calling in the big bills are:

1. The criminals would go right back to being criminals.

The answer to that is "certainly, but they would be one hell of a lot poorer."

2. It would, in the words of the *Washington Times* "force old people and misers to cut open their mattresses."

So we would not only bankrupt the gangster, we would revitalize the mattress industry as well....

When the Reagan administration complains about restrictions on press freedom in Nicaragua, I applaud, but I also wonder why they don't show similar concern for the abuses committed by our "friends" in other Central American countries. As Jonathan Alter, *Newsweek*'s perceptive media critic, points out:

"In Panama, the premier columnist, Guillermo Sanchez Borbon, was worried enough about his safety to seek asylum in the Venezuelan Embassy."

In Guatemala, he added, no reporter dared mention the country's biggest story—how the army killed and continues to kill unarmed civilians.

"Finally," writes Alter, "in El Salvador, there were simply no left-wing opposition reporters around. Almost all either have been assassinated in recent years or have fled the country."...

A lesbian security investigator! The very idea shocked the head of the San Francisco office of the Defense Investigative Service, who, when he discovered Jean Kovalich was a lesbian, removed her from the security job she had performed for 12 years. What is interesting about the case is that there was no allegation that Kovalich had not done her work well or that the performance of her job had been influenced in any way by her sexual preferences. She had in fact been promoted several times.

The key security question about homosexuals is whether they're so anxious to hide their homosexuality that they'll be subject to blackmail. But when investigators asked Kovalich if she was homosexual, she answered yes.



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What she was then subjected to reminds me of the worst excesses of the 1950s:

"They wanted me to identify all my former lovers. Four times they asked that. . . .They wanted me to identify all people who I thought, heard were or could be gay. . . .They even went back to my hometown, in Glen Lyon, Pennsylvania.". . .

Another story out of the McCarthy era was the case of Rema Simon, the 23-year-old American of Arab descent who in May of this year was taken off a Delta Airlines plane in Ft. Lauderdale, Florida, by a Delta customer service supervisor and told she would have to put away the book she had been reading, *Palestine Is, But Not in Jordan*, because it was upsetting another passenger. . . .

Until 1982, all cars were required to have bumpers that could withstand five-mile-per-hour crashes. Then the Reagan administration lowered the requirement to two-and-a-half miles. Ford and Toyota decided to stick with the old standard anyway. This year the Insurance Institute for Highway Safety conducted bumper tests on 23 cars. Only nine sustained no damage. Four were Fords and Toyotas. . . .

The American Trucking Association owns a townhouse near the Capitol to which it invites congressmen for breakfast. "The congressman comes over at eight," Jerald Halvorsen of the association recently explained to Brooks Jackson of *The Wall Street Journal*. "We have 20 to 25 staff. The congressman answers questions and leaves. It's a chance to do some lobbying and ask some questions." The congressman leaves, happy because he has a check in his pocket. $1,000 if he is a member of the House, $2,000 if he is a senator.

Can you afford to pay such sums to gain the ear of your congressman? If not, you may be concerned that such honoraria are becoming increasingly common. Common Cause reports that last year various groups paid out $7.2 million to members of Congress, up from $5.4 million the year before. Among the leading payers are the Trucking Association, the Tobacco Institute, the American Bankers Association, and the Distilled Spirits Council. Some congressmen, it should be noted, donate their honoraria to charity. But last year recipients kept 88 percent for personal use. . . .

The three branches of government don't understand one another very well. Judicial and congressional ignorance of the bureaucracy is especially egregious. The latest example comes from the Fourth U.S. District Court of Appeals which has managed to reverse one of the few pro-whistle-blower actions ever taken by the government. In fact, the decision by the Merit Systems Protection Board that it reversed had been the first dismissal in history of a federal official for retaliation against a whistle-blower.

George Spanton, an

**Why ERA Failed**

***Politics, Women's Rights, and the Amending Process of the Constitution***

**By Mary Frances Berry**

". . . a balanced account of the ERA campaign providing much needed historical perspective and guidance for the future."
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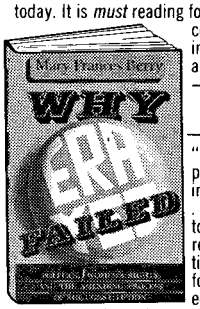
—**Jesse Jackson, *National Rainbow Coalition***

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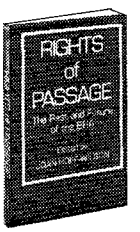


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auditor for the Defense Contracting Audit Agency, had gone public with charges that his agency had failed to do anything about improper billing by Pratt & Whitney.

Charles Starrett, his boss, took the bureaucracy's favorite form of revenge—threatening Spanton with a transfer 3,000 miles away from where he lived and planned to retire. The transfer was in the great punitive tradition of that master bureaucrat, J. Edgar Hoover, who delighted in transferring underlings who had offended him to Butte, Montana. The Merit Systems Protection Board saw through the maneuver and ordered Starrett to be dismissed.

But the Fourth Circuit didn't understand what was going on and saved Starrett from the punishment he deserved. The case is important precisely because whistle-blowers are so seldom protected. Usually it is their tormentors who win out, which is just the way this story has ended....

Impatience with social snobbery, thanks largely to our experience in the public schools of the thirties and forties and to the democratic draft of World War II and Korea, has been one of the redeeming features of my generation (I will be 60 in December). Thus I am saddened to read that among younger people, it's coming back. In the 1960s my wife resigned from the Junior League, as did a lot of other young women who were offended by its social register side. Today, *Time* reports that young women are again flocking to join:

"It has, until recently, been considered unfashionable to be fashionable. But the eighties have ushered in a return to snobbery, so the exclusive club has once again become a proud badge of good breeding."

Or as *Harper's Bazaar* puts it: "As the middle class has expanded and the media have trumpeted ever more stridently the doings of a particular few, the rush to break into the limelight at the top has grown precipitously.

"In other words, everybody now wants in...they're looking for social success. And working very hard to get it."

This is even more depressing than the Amish traffic in addictive substances....

It was with an article in our fourth issue in May 1969, that this magazine launched its crusade against judging people by credentials instead of by performance. That we still have a way to go is suggested by a new test developed for aerobic instructors by the Educational Testing Service for the International Dance-Exercise Association. Here is one of the questions:

"Aerobic exercise produces which of the following?

a) Beta-endorphin and lactic acid

b) Lactic acid and ATP

c) Carbon dioxide and water

d) Carbon monoxide and oxygen"

The correct answer is "I don't give a damn whether my aerobic instructor knows the answer." Aren't qualities that are not subject to measurement by written test more important—qualities like enthusiasm, teaching ability, rhythm, and stamina?...

Did you read *Newsweek*'s cover story "No Baby on Board," about all the couples who aren't having children? If not, I must give you the flavor:

"Ann Christie, the Los Angeles family therapist, says that when she goes home at night she enjoys the comfort of her life. Her house is full of barriers to children—even those who just come for a visit. The ivory silk upholstery on the couch is so fragile that no one brings red wine into the living room. The glossy black hardwood floors have to be constantly buffed to guard against scuffing. Husband and wife have cars with only two seats. 'In a funny moment,' says Christie, 'we laughed that if we did have a child, the only place we could keep it would be the entryway.' "

If you're a bit curious about the kind of therapy Christie offers to families, so am I.

But my favorite has to be Harold Goldstein, 41, a professor of civil engineering, here in Washington who is married to Janet Young, 38, a molecular biologist. They like to travel.

"If we had a kid," he told *Newsweek*, "we wouldn't be as active. I guess I'm selfish. I like to do things for myself. I'm just not ready to sacrifice my time to a kid."

Had enough? If so, next month I promise to show you the way out of this spiritual desert....

—*Charles Peters*



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## Did tobacco executives tell the truth, the whole truth, and nothing but the truth?

by Morton Mintz

# THE ARTFUL DODGERS

The story of Sean Marsee is familiar to millions of Americans. They saw it on "60 Minutes," and read about it in *Reader's Digest* and newspapers around the country. Marsee was the 12-year-old closet "snuff dipper" from Oklahoma. He was habituated or addicted to the Copenhagen brand, which is made from moist smokeless tobacco and which has very high levels of nicotine. His mother, a nurse, discovered what he was doing, but he told her that smokeless tobacco couldn't hurt his lungs as cigarettes would. It mattered very much to him that he not damage his lungs because he wanted to, and did, become a medal-winning high school track star. Besides, if snuff weren't safe, the cans would carry warnings, as do cigarette packs, and professional athletes wouldn't promote it.

In 1983, when Sean was 18, he was found to have cancer in the middle third of his tongue near the groove on the right side of his mouth where he had kept his quid of Copenhagen. He underwent three increasingly mutilating rounds of surgery, and in February 1984, when he was 19, he died.

Later when Sean's mother, Betty Marsee, was living in Ada, Oklahoma, she told her son's story to Dania Deschamps-Braly, a local attorney. The result was a David-and-Goliath product liability lawsuit that pitted Betty Marsee against United States Tobacco Company, the 476th-largest industrial corporation in America.

*Morton Mintz is a reporter for* The Washington Post, *and author of* At Any Cost: Corporate Greed, Women, and the Dalkon Shield.

In previous smoking lawsuits, judges have sealed documents obtained in pretrial discovery that showed what cigarette executives knew about tobacco-related disease, marketing strategies, and other major issues, and when they knew it. The Marsee trial was different. Dania Deschamps-Braly and her husband and legal partner George Braly not only obtained and reviewed an estimated 800,000 pages of documents from U.S. Tobacco, which had also once manufactured cigarettes, but also exposed the papers—many of them devastating—to public scrutiny.

A jury of four women and two men tried the case for 22 days last May and June in the U.S. District Court in Oklahoma City. The Bralys argued that Copenhagen is far richer than any other consumer product in nitrosamines, extremely potent carcinogens that have caused cancer—including tongue cancer—in about 40 separate species of laboratory animals. Defense counsel Alston Jennings Sr., a famed trial attorney from Little Rock, Arkansas, countered that it hasn't been "scientifically established" that tobacco, whether smoked or held in the mouth, causes disease. Moreover, he pointed out, no abnormality at all was found in the tip of Sean's tongue, which he used to position the quid, nor in the cheek and gum tissue that were directly and almost constantly exposed to the quid. The plaintiff's experts, including world-renowned scientists, blamed Sean's cancer on his use of snuff; the defense experts, some of them equipped with minor-league credentials and suspect motives, tried to exonerate tobacco.

Goliath won. On June 20, the jury found for



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U.S. Tobacco, deciding that a preponderance of the evidence did not show that Sean's six-year, heavy use of Copenhagen had caused his tongue cancer. Having made that decision, the jury, as instructed, did not consider other issues, such as the conduct of the company and the credibility of some of its witnesses, particularly Louis F. Bantle, chairman and chief executive officer of U.S. Tobacco, and Dr. Richard A. Manning, vice president for research and development.

Moreover, in numerous pretrial and trial rulings, U.S. District Judge David L. Russell barred important plaintiff's evidence, and these rulings will be the foundation of an appeal. Had the jury considered such issues and evidence, it might have severely jolted U.S. Tobacco because, for the first time in a tobacco product-liability case, the jury was allowed to set punitive damages.

Did Bantle, Manning, or others testifying on behalf of U.S. Tobacco commit perjury by hiding behind a wall of alleged ignorance despite overwhelming evidence that the product they produce kills people? Does their testimony say something about our own cynicism, about our tolerance for disingenuousness and our willingness to accept it from top corporate officials hoping to guard the bottom line? The jury couldn't rule on these questions. You can.

## Robinspeak

U.S. Tobacco manufactures Copenhagen and Skoal, the world's best-selling brands of snuff. In 1985, in this country alone, U.S. Tobacco sold 480.8 million cans of these and other brands of snuff—17.3 million more than in 1984 and 54.9 million more than in 1983. Sales were $480 million, with smokeless tobacco, cigars, and pipe tobacco accounting for 86 percent of the total. In four years profits had more than doubled to $93.5 million, or 19.5 percent of sales—the highest rate among the Fortune 500. For this financial performance, chairman and CEO Bantle received compensation of more than $1.1 million. He, his wife, and their children own about 172,000 shares of company stock worth about $7 million.

Such data provide a context for troubling questions. Suppose snuff causes mouth cancer, gum disease, and tooth loss. Suppose also that these sales increases and high profits are significantly attributable to marketing techniques that were intended to, and do, hook children and youths. Suppose, too, that a U.S. Tobacco official is realistic enough to know the suppositions to be truths. Finally, suppose he knows that admitting what he knows would probably ruin U.S. Tobacco, causing the loss of investment, of thousands of jobs, and of his executive compensation. Would you expect him, under oath, to tell the whole truth?

In Oklahoma City, issues of this very kind confronted Bantle, Manning, other U.S. Tobacco executives, and several well-paid scientific experts. All swore the answers they gave were the whole truth.

Louis Bantle swore that "I am not aware that anyone has said that snuff causes cancer." Like a number of company officials, Bantle refused to attend the trial and, under court rules, he couldn't be compelled to do so. George Braly managed to get, instead, Bantle's testimony in a sworn deposition that he videotaped and played before the jury in Oklahoma. In the deposition Bantle testified that he didn't know of a statement by the National Cancer Advisory Board in February 1985 that "there is sufficient evidence for a cause-and-effect relationship between smokeless-tobacco use and human cancer." He said that "I have not heard of" the International Agency for Research on Cancer, which is funded by the World Health Organization, and which, in September 1985, found "sufficient evidence that oral use of snuff...is carcinogenic to humans."

An advisory panel on smokeless tobacco appointed by the Surgeon General said in a much-publicized report last March: "The scientific evidence is strong that the use of snuff can cause cancer in humans." Bantle said he did know of this report, but hadn't read it. He gave this testimony ten days after the report was issued and five weeks after President Reagan signed legislation that requires rotating warnings on smokeless tobacco products.

One of Bantle's partners in sworn ignorance was Hugh W. Foley, the company spokesman to whom all health inquiries about smokeless tobacco were referred from February 1981 to the spring of 1985, when he was promoted to vice president for corporate affairs. The National Cancer Advisory Board resolution that found "sufficient evidence for a cause and effect relationship between smokeless tobacco use and human cancer" had been adopted in February 1985 during his watch. Was he even aware that the International Agency for Research on Cancer had considered the issue? "No sir, I am not." Like Bantle, Foley gave his videotaped deposition a few days after the press reported that the Surgeon General's advisory panel had found strong scientific evidence "that the use of snuff can cause



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cancer in humans." Did Foley know of this? "No sir, I was not aware of that statement."

Why should a U.S. Tobacco executive bother himself with such matters when, as Bantle told George Braly, he doesn't believe the scientific evidence warrants a health warning on the cans, or even a statement that a controversy exists about the safety of smokeless tobacco? Besides, he pointed out in testimony, he subscribes even today to a joint statement, which his own and other tobacco companies published as an advertisement in 1954, that "an interest in public health is a basic responsibility paramount to every other consideration in our business." Had it ever "entered your mind?" that a health warning might have hurt U.S. Tobacco's soaring sales, Braly asked. "No, sir," Bantle replied. "Not at all?" "No, sir." For some years, the smokeless tobacco U.S. Tobacco has shipped to Sweden has carried a warning saying in part that it "contains nicotine causing a strong dependency equal to that of tobacco smoking. Mucous membranes and gums may be damaged and require medical attention." Asked about why his company warned Swedes but not Americans, Bantle said, "Well, it's the law in Sweden."

In May 1974, T.C. Tso, a tobacco scientist with the Agricultural Research Service, sent W.B. Bennett, then U.S. Tobacco's director of research and development, a copy of a report that one might expect to have set off alarm bells, a report that *Science* would publish the following October. The report, mainly by Drs. Dietrich Hoffman and Stephen S. Hecht, stated that N-Nitrosomornicotine (NNN), a "potential carcinogen, has been positively identified" in smokeless tobacco at levels of "between 1.9 to 88.6 parts per million, one of the highest values of an environmental nitrosamine yet reported. The amount in food and drink rarely exceeds 0.1 part per million. This compound is the first example of a potential organic carcinogen isolated from tobacco."

The company's reaction was, and remained, cool. "Our initial approach was to attempt to discredit the claims," according to a September 1975 memo by Richard Manning, who would succeed Bennett in 1980 before becoming vice president for R&D. U.S. Tobacco "made a judgment" that no action be taken, Bantle testified a decade later.

A major concern about smokeless tobacco is its promotion to children under 18, who commonly start with a low-nicotine brand, become hooked, and are "graduated" to Copenhagen, the richest in nicotine. In answers to interrogatories, Vice President Wuchiski said: "...defendant has always maintained a strict and explicit company policy forbidding the giving of free samples of smokeless tobacco to minors." Similarly, Bantle swore that under "written policies dating way

## When silence is golden

Frequently, a corporation or trade association dumps an executive or hireling, but buys his silence with a wad of cash. Only rarely do the terms of the deal surface. But surface they did in the Marsee case concerning the eternal silence about smokeless tobacco of one Gerald V. Gilmartin.

In 1957, Gilmartin went to work in Peekskill, New York, for Allied Public Relations, Inc., which represented U.S. Tobacco and three other snuff makers. In 1965, he shifted those accounts to his own company, Prudential Public Relations, Inc. Fifteen years later these accounts were again shifted, this time to the Smokeless Tobacco Council (STC), which shared offices with Prudential and employed Gilmartin as its executive vice president and secretary-treasurer. After some undisclosed disagreements developed, the STC asked Gilmartin to leave. He did so in June 1984.

Under the termination agreement, signed by James W. Chapin, chairman of the STC and general counsel of U.S. Tobacco, the STC bought a $257,000 annuity for Gilmartin. The owner of the annuity was listed as the STC, c/o Jacob, Medinger & Finnegan. The annuity might be viewed as generosity, because Gilmartin did not have an ongoing contract that had to be bought out; he served at will and could be let go at any time. "I was told," Gilmartin testified, that the annuity "was in payment for many years of faithful and productive service."

But, as Braly showed, the termination agreement provided for "forfeiture of all amounts payable" under the agreement and the $257,000 annuity if "Gilmartin shall at any time make any statement (written or oral) which is disparaging or inimical to the STC, its member companies, or any tobacco products."

"...have you ever made any statements that were disparaging or inimical to the Smokeless Tobacco Council?" Braly asked.

"No," Gilmartin answered.

—*M.M.*



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back into the thirties, we never have—and we never will—market tobacco to persons under 18."

However, in January 1968, when Bantle was vice president for marketing, he attended a two-day meeting in New York on "the future of the company's orally utilized tobacco products." The minutes quote him as having said: "We must sell the use of tobacco in the mouth and appeal to young people. . .we hope to start a fad." Confronted with the quote by Braly, Bantle did not dispute it. Braly also quoted from a 1977 *Chicago Tribune* article in which Bantle said, "We've gotten excellent sales growth from young people." "I don't remember that statement," Bantle testified. "But I don't deny it."

Bantle also conceded that certain U.S. Tobacco marketing methods could reach boys. An example cited by Braly was an offer of free snuff samples to anyone who mailed in a coupon in advertisements in magazines such as *Sports Illustrated*, which, Bantle acknowledged, are read by those under 18. But the people who processed the coupons "reviewed the signatures," Bantle testified. "If they looked like they were coming from young people, they were not answered."

S. David Schiller, an assistant United States attorney in Richmond, Virginia, has described the evasive testimony about blatant violations of court bankruptcy orders by several executives of the A.H. Robins Company as "Robinspeak," which he defined as: "I don't know," "I don't recall," "I have no present recollection," "We had no definitive discussion," "I probably said," "I would have said." Were the answers of Louis Bantle the whole truth and nothing but? Or were the answers of the professedly ignorant CEO merely Robinspeak on tobacco road?

## What carcinogens?

Dr. Richard Manning, vice president for R&D, joined U.S. Tobacco in 1969 as a senior research chemist. Because of his position, his testimony left many courtroom observers incredulous. It's easy to see why. For starters, he and George Braly had this exchange:

Q. "What is the range of nicotine found in tobacco?"

A. "I don't know."

Q. "Did you tell the jury you are a tobacco chemist?"

A. "Yes, sir. . ."

Q. "No information on that subject?"

A. "No."

Per Erik Lindqvist, senior vice president for worldwide marketing, followed Manning's lead in obscuring the importance of nicotine in hooking snuff dippers. Looking toward the development of new smokeless tobacco products, Lindqvist wrote the president of the tobacco division in June 1981: "Flavorwise we should try for innovation, taste, and strength. Nicotine should be medium, *recognizing the fact that virtually all tobacco usage is based upon nicotine, 'the kick,' satisfaction*." (My emphasis.) Was this a recognition by Lindqvist "that virtually all tobacco usage is based upon nicotine?" George Braly asked. "No," the executive swore. "What I am saying in this paragraph is that it is important that the consumer can feel the tobacco satisfaction."

Q. "Don't you, in fact, use the following precise words, 'recognizing the fact that virtually all tobacco usage is based upon nicotine'?"

A. "Satisfaction."

Q. "Yes."

A. "Nicotine satisfaction."

Q. "Yes."

A. "That is what I am saying."

Q. "Virtually all tobacco usage is based upon nicotine satisfaction; is that what you are telling the jury?"

A. "That's what this document says. . ."

Q. "The United States Tobacco Company had for years planned different tobacco products around different levels of nicotine satisfaction; isn't that correct?"

A. "No, I can't answer that question. I don't know what you refer to here."

Q. "Do you deny that that is true?"

A. "I don't deny it and I don't admit it. I don't recall."

The next exchange with Manning led more eyebrows to rise:

Q. "What are carcinogens?"

A. "What do you mean by carcinogens?"

Timothy M. Finnegan of Jacob, Medinger & Finnegan in New York, U.S. Tobacco's principal law firm, interjected: "The witness is entitled to have a question that he understands. I ask you to clarify."

Q. "Doctor, my question is what are carcinogens?"

A. "I really don't know what you mean by carcinogens."

After Manning gave the same answer a third time:

Q. "I will tell you that what I understand the word carcinogen to mean is something that causes cancer. Do you understand it any differently?"

A. "It causes cancer in what, sir?"

Q. "Animals."



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A. "What is cancer in animals? I am an organic chemist. I am not a pathologist. I am not an oncologist. I am not a medical doctor and, no, I cannot answer that question because I don't know."

Three times Braly asked: "Is there anybody that works for the United States Tobacco Company that knows more about this particular subject of carcinogens than you do?" Manning's first answer was, "I didn't say I knew about this particular subject of carcinogens." His second answer was, "Is your question is there somebody that knows more than nothing?"

Q. "About carcinogens."

A. "I don't know."

Q. "So if there is such a person that works for the U.S. Tobacco Company, you don't have any idea who it is?"

A. "Correct."

Q. "And you admit to this jury that you know nothing about that subject?"

Immediately, there followed exchanges, twice interrupted by Finnegan, in which Manning tried to deny his admission that he was a total ignoramus about carcinogens. Finally:

Q. "My question was didn't you just tell the jury that you didn't know of anybody in the company that knew more than nothing about carcinogens?"

A. "I think you are telling me I just said that."

Q. "I am asking you. Didn't you just say that a few minutes ago?"

A. "Right now, I don't remember."

Later:

Q. "What research has been carried out by the United States Tobacco Company in connection with the safety of snuff used by human beings?"

A. "I don't know what you mean by the use of the word safety in that context, either."

Q. "Has the United States Tobacco Company ever carried out any research to determine whether or not its snuff products are dangerous for human beings to use?"

A. "I don't know what you mean by dangerous in that concept—or context."

There was much more of the same kind of grappling over issues such as whether the company has researched or hired others to research whether snuff is carcinogenic or mutagenic. And, to end, there was this:

Q. "What is a low concentration of nitrosamines?"

A. "I do not know what a low concentration of nitrosamines is."

Braly told the jury he had a word for Manning's testimony: "Snuffspeak."

After the verdict, a juror told me this about the executives' testimony: "They stonewalled it. It was very obvious to everybody. Dr. Manning pretended he didn't know anything at all. The chairman was even worse than Manning." But the same juror, asking not to be identified, said that deposition testimony taken in advance of a trial is like "a game plan" in sports, i.e., a strategy to be held close to the vest, is therefore not taken as seriously as live testimony in the courtroom. It didn't faze the juror, who spoke as if this notion was widely shared in this buckle of the Bible Belt, when I pointed out that both kinds of testimony are given under an identical oath.

## Arrant experts

It's easy for cash-rich corporate law firms to find academicians to provide helpful testimony. It was particularly easy in the Marsee case because of the foresightedness of U.S. Tobacco. In August 1974, R&D chief Bennett wrote a letter, with a copy to Bantle, in which he said that "cigarette companies have built up quite a stable of experts in these fields related to their products, but we are not in too good a shape in this respect." How they got in shape is exemplified by their recruitment of Dr. William H. Binnie, chairman of pathology at Baylor College of Dentistry in Dallas.

In early 1984, Binnie went to an oral pathology meeting in Holland. So did Janet S. McClendon of Jacob, Medinger, the U.S. Tobacco law firm, which for several years also represented R.J. Reynolds Tobacco Company, the big cigarette maker. Within a few minutes in the trial, Binnie gave George Braly two differing accounts of the origin of his availability to Jacob, Medinger and the smokeless tobacco industry.

Initially, he said "I was approached" by McClendon. Then he said he had "sought out" the lawyer. "Here was this lady sitting in our meeting and I was just curious to find out who she was," Binnie said. "I didn't even know she was an attorney." Braly asked Binnie whether McClendon "travels around to all these medical meetings hunting for doctors that will testify for the tobacco industry?" The doctor replied, "No comment."

Braly asked Binnie if he had "testified on behalf of the smokeless tobacco industry before Congress about a year ago?" "No," he said, "I submitted a document." In it, he expressed the belief that smokeless tobacco does not cause oral cancer. At whose request had he given his opinion to Congress? "I had seen the proposed bill



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[to require health warnings on smokeless tobacco products] and the law firm asked if I wanted to see what I thought of it."

Q. "And, I take it, you think that tobacco doesn't cause oral cancer?"

A. "Correct."

Braly reminded him that at least 90 percent of the victims of head and neck cancers are tobacco users and asked if this had "any significance to you?" "No," Binnie said. Indeed, he was so protective of all tobacco use that, when asked whether cigarette smoking is "a cause of lung cancer," he replied, "I don't know that."

Then Braly asked the witness if he was the same W.H. Binnie who had published an article in the *Journal of Oral Pathology* in 1983—a year before the McClendon recruitment in Holland. Binnie said he was. In the article he had written: "The method of smoking notwithstanding, there is ample evidence to support the premises of tobacco consumption as a dose/time related entity in the etiology of intra-oral cancer."

Q. "But have you changed your mind now?"

A. "No, I haven't."

On January 10, 1983, ABC television aired a piece on snuff that disturbed the peace of Chairman Bantle. Two days later, he sent a memo to Executive Vice President Barry Nova: "What is the downside of Monday's broadcast? 'The Surgeon General warning snuff dipping may cause cancer'? It's possible it could trigger such a suggestion. We should develop a strategy for

## Remembering to forget

Evasive testimony is an art, not a science. No lawyer can tell you, definitively, how to avoid answering unpleasant questions under oath while escaping the pitfalls of perjury, contempt of court (or Congress), and obstruction of justice charges. But for the past 35 years, mob bosses, Watergate dirty tricksters, and Chief Executive Obfuscators at Fortune 500 corporations have refined a set of poses that seldom fail to steer them safely between the Scylla of telling the truth and the Charybdis of getting indicted. Listed below are the three personae that have worked the best for the less than fully forthcoming:

*Dragged from the hospital*
*("Against the orders of my doctor")*

It all began in 1951 when mobster Frank Costello simultaneously pleaded laryngitis, photosensitivity, and the fifth amendment in testimony before the Kefauver Crime Investigating Committee. Instead of threatening him with charges of contempt of Congress and perjury, the committee ought to have awarded him an Oscar.

Costello knew that if he could stall Kefauver for 30 days, the committee's money and mandate would run out, and he could continue to wear leather slippers, instead of the cement kind. So he bought time. He whined about the klieg lights and moaned about the television cameras (Kefauver ordered them not to show his face, so millions watched Costello's nervous fingers all day). When one of the senators suggested that he might be extradited for lying on his naturalization affadavit, Costello became hoarse, and his lawyer remembered the note in his pocket from Costello's physician ordering him to stay home. But in order to help in the investigation, Costello offered to risk permanent injury to his health by staying. Under the strain of it all, however, Costello forgot almost everything the committee wanted to know, including the names of close friends and the amount of money in his strongbox (which he managed to remember later when they threatened to slap the cuffs on him). Threatened with a contempt citation for refusing to divulge his net worth, Costello wheezed loudly, insisted he should be in bed, and stalked out of the hearings. His illness, proclaimed by his attorney as "laryngeal bronchitis," prevented Costello from saying anything of any value when he returned under duress.

But just in case the FBI saw fit to charge him with perjury, Costello's lawyers disqualified everything that had been said during seven days of testifying in New York: "With the intolerable conditions that existed, it became apparent that the witness was unable to testify properly, that the witness could not concentrate on the subject matter of the questioning and that, as a result, his answers were incoherent, unintelligible and at times inconsistent and seemingly contradictory." Costello's condition improved rapidly once Kefauver had left for Washington.

*The Dottering Grandfather*
*("When you get to be my age, Senator. . .")*

White House lawyer Richard Moore refined and sanctified the role of obfuscator with this classic performance before the Ervin Committee in 1973. In marked contrast to smooth Watergate operators Dean and Mitchell, Moore had no cool to lose. Utterly befuddled, he fumbled through

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such a possibility, or better, for seeing that it does not happen." A few days later the company's Task Force on Regulatory/Political Environment came up with an unsigned memo listing numerous "preliminary strategy recommendations." One of them was only three words, the second word of which is an adjective that, dictionaries say, often modifies "knave": "Develop arrant doctors." Braly inquired, "Are you one of the arrant doctors that they have recruited?" Binnie said he was not.

## You dirty rat

So, how, with all this dubious testimony, could the jury rule in favor of U.S. Tobacco? The witness who decisively influenced them to conclude that snuff hadn't been shown to have killed Sean Marsee was Dr. Arthur Furst, immediate past president of the American College of Toxicology. Although an organic chemist, the impressively credentialed Furst is a full professor in the pharmacology department at Stanford University Medical School and is the author of about 220 professional papers in the fields of cancer research, chemistry, and toxicology.

From 1965 to 1969, while he was at the University of San Francisco, Furst conducted smoking studies paid for in full or in part by the Council for Tobacco Research U.S.A., which is funded by the cigarette industry. In 1981, when the Smokeless Tobacco Research Council was

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by Jacob Weisberg

his opening statement that was supposed to contradict Dean's assertions about Nixon's knowledge of the cover-up. In Moore's description, even Nixon came off as a well-meaning Alzheimer's victim—racking his brain for the signs he should have seen that his underlings were up to no good. When grilled, Moore put a finger to his temple, stammered, scratched, and became so confused that he couldn't speak. During the second day of his utterly useless testimony, Moore tried to make the senators feel guilty for pushing an old guy like him around. Standing up for senility, he declared that people think "it's nice to hear that someone is willing to admit he does not know exactly where he was at 12:11 p.m. on June 30, 1972." Moore played to rave notices. After his testimony the Committee was flooded with calls and telegrams from people outraged at the way Moore had been treated.

*Lousy Head for Details*
*("The vice-presidents don't tell me unless I ask")*

This was the line favored by executives at A.H. Robins Company. In his book *At Any Cost: Corporate Greed, Women, and the Dalkon Shield*, Morton Mintz reports that A. Claiborne Robins, Jr., the CEO, testified "I don't know one way or the other" when asked whether his company had paid out any cash settlements in Dalkon Shield lawsuits. Claiborne Robins, Sr., who ran the company with his son, managed to forget during a deposition all about a major settlement with Aetna insurance, which he had been informed of a few weeks previously at a company board meeting. "My recollection is not as good as I would like it to be," the elder Robins said, taking a cue from Richard Moore. Another top executive couldn't remember whether she had warned Robins employees wearing Dalkon Shields to have them removed. A specialist who wrote studies promoting the defective IUD couldn't remember whether he owned stock in the Dalkon company. (He did.)

Supreme Court Justice William Rehnquist's memory proved equally spotty during testimony last August before the Senate Judiciary Committee. When asked during confirmation hearings whether he had approached minority voters and demanded that they prove their literacy by reading portions of the constitution, the chief justice-designate said he "did not believe" he had done so, but cautioned that his memory had grown "faint." When pressed, Rehnquist, in fluent Robinspeak, said he did "not recall" participating in such challenges.

The essential ingredient in all perjury avoidance/truth avoidance is, of course, the "I don't remember, I don't recall" formulation. When professing ignorance becomes absurd, your memory can be jogged, it can all come rushing back, now that you mention it. It's not perjury to remember later, even if it's not telling the whole truth.

Take a lesson from Mike Deaver. A month ago, it looked bad for him. A Congressional Committee had accused him of lying in his May 16 testimony about his contact with Administration officials after he left the White House. The evidence was referred to independent Deavergate Counsel Whitney North Seymour. But lawyers who have examined the evidence say Deaver's not likely to be convicted. He didn't deny talking to Robert McFarlane on behalf of a client. He just forgot to remember. ■



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formed, Furst became a member of its scientific advisory board. He testified that the 1974 "stable of experts" letter was "news to me." "Isn't the Council the 'stable' for the smokeless tobacco industry?" George Braly asked. "Absolutely not," Furst replied.

Furst acknowledged at the trial that he hadn't published an article on the subject of tobacco and cancer for probably 20 years. He testified that he was aware that the Surgeon General, on the advice of a large number of the country's most prestigious scientists, had listed five criteria to be taken into account in determining whether there is "a sufficient basis to form a judgment of causality." But when asked "if you have any recollection of what they are?" he replied, "At the moment, no." He went on to "disagree, absolutely," with the criteria and claim that "the scientists" do not agree either.

As one would expect, the positions Furst took on the relationship between tobacco and disease were echoes of the views of the cigarette and smokeless tobacco industries, and rejections of views of the majority of the medical and scientific community. ". . . [A]re cigarettes a cause of lung cancer in human beings?" Braly asked. ". . . [T]he answer would be no because it has not been proven," Furst said. Similarly, he dismissed all of the authoritative warnings by the Surgeon General and others that snuff can cause mouth cancer.

Furst's testimony was seductive. Yes, he said, nitrosamines are carcinogens in animals. But he had happy news: in snuff, they are counteracted by "anti-cancer agents." In asserting this, he relied heavily on an experiment in which snuff components caused cancer in rats, while snuff itself did not. "There must be some anti-cancer activity in that snuff," he testified.

Once again, George Braly's cross-examination was shattering, even if it didn't strike the jury that way. Furst admitted he had not made the simple calculations that would have established the comparative exposures to NNN, in terms of body weight, of the rats in the experiment on which he relied, and of Sean Marsee. These calculations, which Braly did on the spot, showed that Sean, by consuming four cans of Copenhagen a week for six years, had been exposed to nine to ten times as much NNN as the rats.

Moreover, Furst said he believed it to be "absolutely" important to have hands-on experience in scientific experiments, but admitted he had never tested nitrosamines in animals. Few, if any, scientists know more about or have more hands-on experience with nitrosamines than Dr. William Lijinsky of the Cancer Research Center in Frederick, Maryland. Lijinsky had done his own study in which NNN caused tongue cancer in animals, and U.S. Tobacco attorney Jennings had told Furst of this. But, Furst testified, Jennings had not told him (or other defense experts) of the most salient fact, revealed in this exchange:

Q. "Did they tell you that this was the experiment that had been done at the lowest dose levels ever tested on nitrosamines?"

A. "Obviously not, no, sir."

Furst also disclosed that he had not been told that Lijinsky had testified at the trial about the dose levels in his tongue-cancer study. "I just learned about this today," Furst told Braly during cross-examination. "I won't argue with that."

He did not, however, change his position.

## Silent oaths

If, in 1986, the chairman and CEO of the leading snuff company is "not aware that anyone has said that snuff causes cancer," and if the vice president for R&D doesn't know what a "carcinogen" is, or what "safe" or "dangerous" are, do they know what an oath is? What the "whole truth" is? I believe they do.

Probably I'm naive, but I have to say that I'm repelled by the sight of platoons of corporate executives, on Capitol Hill as well as in the courts, who swear to tell—but who tell nothing like—the truth, the whole truth, and nothing but the truth. And I'm appalled when they tell nothing like the truth about conduct that has exposed dozens, hundreds, or even tens of thousands of human beings to avoidable disease, injury, and death.

To be blunt, I am talking about conduct that, when engaged in on the street, is universally recognized as manslaughter, or, if the conduct was knowing and willful, as murder. Maybe it's also naive to wonder why it is that when corporate executives who engage in such conduct violate a solemn oath to tell the truth, "so help you God," they rarely, if ever, elicit even a tut-tut from mainline editorialists and columnists, or the wrath of mainline clergymen, or such telegenic hellfire preachers as Jerry Falwell and Jimmy Swaggart.

But maybe the public oath these executives mouth is not the silent oath they obey. The silent oath, as I imagine it, would run like this: "I do solemnly swear to tell the truth, the whole truth, and nothing but the truth, so long as I reveal no truth that could hurt my corporation or me, so help me CEO." ■



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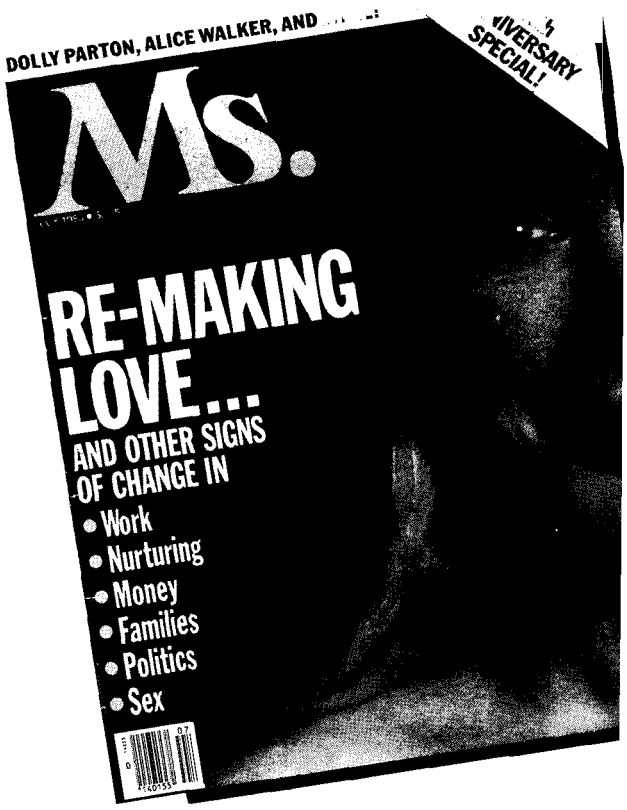
America's leading feminist magazine used to challenge the worst in men. Now it encourages the worst in women.




# HAS MS. UNDERGONE A SEX CHANGE?

by Susan Milligan

But for the logo in the corner, it could be *Self*. "Re-Making Love," reads the July cover headline that runs over a photo of a man kissing the bare shoulder of a carefully made-up woman. Yet this is *Ms.*, the country's leading feminist magazine. So, what does *Ms.*, which claims "the most influential women in America" as its readers, have to say about the current condition of love-making?

" 'Re-Making Love' was chosen as our cover story," write the editors, "because sexuality is the area of our lives where the power balance has changed the most and is likely to stay changed." And how has that balance changed? Feminists used to get angry at men who treated women as sex objects; now *Ms.* says sex objects are okay—if they're men. The authors of this article write: "Whether in 1950 or 1980, casual sex has always been *the* macho symbol, and very few men were complaining as long as they controlled the action." Now, they boast, women can control the action, too, and they applaud women such as one who told them, "I have lovers because what else is there in life that's so much fun as turning on a new man, interesting him, conquering him?" They also scoff at George Leonard, who, in a 1982 *Esquire* article, deplored the "loss of loving, nurturing, long-term" sex. Have we ever come a long way.

Claiming "*the* macho symbol" as a woman's right is just one example of how *Ms.* has come to encourage some of the very values it used to condemn. While still officially feminist, *Ms.* is a compromised version of the radical magazine it was 14 years ago. The magazine that declared in its first issue that it wanted to be as "serious, outrageous, satisfying, sad, funky, intimate, global, compassionate, and full of change as women's lives really are" has retreated from that complexity. *Ms.* is now full of articles such as "How to Manage a Fear of Power," "Packing It In: A 10-Day Trip in a Carry-On Bag," "Toys for Free Grown-ups: A Consumer Guide to Sex Gadgets, Potions, and Videos," and "The New Computer Diet—From Chocolate Chips to Microchips." There is little anymore that distinguishes *Ms.* from other mainstream women's magazines such as *Cosmopolitan*, *Mademoiselle*, *Working Woman*, or even magazines such as *Playgirl*.

"When *Ms.* was launched scarcely a decade ago, it was a different world," proclaims a recent trade ad. "We led the way, and we changed the world. So much so that we changed ourselves. . ." And so the magazine did. Perhaps the biggest change in *Ms.* is that it no longer challenges the greed, selfishness, and materialism it once claimed subjugated women and imprisoned men. Today's *Ms.* not only condones those values, but

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offers itself as a primer on how women can live by them.

## Sofa sisterhood

In 1972, when modern feminism was hitting its stride, *Ms.* published its first issue, providing a forum for feminist political debate. Co-founded by Gloria Steinem and Patricia Carbine, *Ms.* was meant to fill a void left by traditional women's magazines. The first issue promised to examine the problems and hopes raised by the changing roles of women. Nearly every article questioned a cultural, political, or social norm. Even the magazine's name made a statement that women would not be defined by their roles as wives or mothers. In those first years the magazine grappled with a wide range of tough issues. Ann Crittenden Scott proposed in "The Value of Work" that housework be considered real work and that men and women have equal control over family finances. "Three Lives in Appalachia" damned stripmining and black lung disease in the hills of Kentucky. John Kenneth Galbraith wrote that American society identified "increasing consumption of goods and services with increasing happiness" and explained how it used women to build the demand for, and to manage, all those consumables. There were articles such as "A Legislative Agenda for the 93rd Congress," which proposed tax, welfare, and health insurance reforms; "Defusing the Atomic Establishment"; "Child Care Leave for Fathers"; "Economic Reality and the Limits of Feminism"; and "Abortion Reform: Never Again."

As the years passed, plenty of the women beating on the doors and windows of male-dominated institutions—many of them *Ms.* readers—succeeded in breaking in. Unfortunately, many of them are now so intent on rearranging the furniture inside to suit themselves that they've forgotten they swore to tear the whole rotten structure down and build anew. *Ms.* seems to have conveniently forgotten as well and has joined in the redecorating. Its iconoclastic message has faded; the new message is that the way for women to succeed is the same as it has long been for men: acquire money and status.

## Vanity fare

The women *Ms.* has written about lately are almost always well paid, professional, and powerful; the female forklift driver is rarely spoken of in the same breath. In the July issue, Emily Card profiles ten women who "exert great influence" on the U.S. economy. They include a corporate vice president, a judge, a congresswoman, a commissioner of the Securities and Exchange Commission, and a member of the Federal Reserve Board of Governors. The month before Sallie Bingham of the Bingham communications empire was the focus of the cover story.

Even when *Ms.* still grasps the "correct" rhetoric, its examples often mock the effort. Last November, the cover story "For Love and Money" promised a "changed definition of success." The women profiled are described as "successful yet underrewarded, happy yet still striving and dreaming." So who are all these underrewarded heroines? First is Judith Langer, whose consulting firm probes the predilections of the American consumer—for $2,800 per session. Sessions such as this one: "The women gathered at the long table are sharing their deepest feelings about flannel sheets—feelings they may have never before known they had." Sessions that help industry exploit the way women have been encouraged to define themselves through their purchases: "Working women often develop 'two selves' in order to provide needed separation from their job. For example, some wear fancy underwear beneath their work clothes. . . .Others buy themselves 'treats,' anything from an ice-cream cone to a new blouse, just as a reward for making it through another week."

In the list there are two more women who run the same kind of consulting business (and gross

**The recent 'Beauty of Health' cover included an article on plumping out wrinkles with collagen injections, and—the clincher for the healthy feminist—"Going for the Big 'O': Discoveries About Easily Orgasmic Women."**



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**By publishing heaps of articles on gaining the traditional status jobs, on being pretty, on playing sexual power games, and on buying the toys of the entitled, *Ms.* insinuates that these are what should be important.**

$1.5 million per year), as well as an "executive bodyguard," an accountant, a woman who works in the Office of Consumer Affairs in Boston, two lawyers, four film directors, one community organizer who helps Korean immigrants adjust to living in New York City, and several artists. In discussing the artists, the article describes a meeting of women artists, critics, and dealers where "the women get down to the real business of the meeting—an exchange of information not often heard among artists." A thoughtful discussion of the sources of their inspirations, perhaps? No. They're more interested in "how they're getting shows, who was buying what, and for how much." Those who sell works for $30,000-$75,000 are revered, though they complain they haven't "achieved parity with their megabuck male counterparts."

*Ms.* has plenty of ideas on how women should use their money once they make it. It has run stories such as "New Frontiers in Jewelry Design," "The Right Shoe: A Guide to the Immortal Sole," "The New Appeal of Hotel Dining Rooms," and "Tips on Tipping," as well as articles on investing, business plans, and tax write-offs. A recent article "The Joy of Risk-Taking," plugs hiking trips in Tibet, scuba diving in the Caribbean, and skiing in Norway. *Ms.*'s reader profile says its readers "shop in gourmet stores more than anybody—even more than readers of *Harper's Bazaar*." They also buy more rum and tequila, more fine china, more lingerie, more 35mm cameras, more books, more imported cars, and more fine jewelry and gems than readers of any other women's magazine. Accordingly, *Ms.* ran an article that suggested its readers buy as gifts $75 teakettles, $50 icebuckets, and $40 high-tech corkscrews, which, it said, "reflect the way we live now."

Concern for social issues has been eclipsed by concern for "Pampering Yourself," as a February article was titled. That article confides: "Being confined to your quarters on a blustery day can make for a delightful time if you celebrate your own company as you would that of a special friend. Wear something you feel great in, take out the good china, take a bath instead of the customary shower, dab on some perfume before going to bed—whether or not you sleep alone."

Noting in the profile that its readers "cook for fun more than anybody—even readers of *Food and Wine*," *Ms.* has even found space for gourmet hints. In a July article on buying and storing fancy cheeses, the author writes: "Experts differ as to how cheese should be stored. Some say it should be wrapped in wax paper so the cheese is not suffocated. Others say that cheese should not be exposed to air and should be sealed in plastic wrap or foil. Whatever the case, a little drying usually does not affect quality." If the author seems to be straying a bit far for even the most laissez-faire feminist reader, she reins herself in by giving up a third of the next page to praise for women cheesemakers.

Larding this kind of article with leftover radicalisms is common. An April article on "Dream Houses," which cataloges reader responses to an earlier questionnaire, reveals that *Ms.* readers "had strong ideas about the 'character' of a house. . . . Fireplaces, gardens and lots of closet space cropped up over and over again. . . and virtually everybody had something to say about kitchens and laundry rooms." Sensing, perhaps, that this was getting a little too *House & Garden*, there's a brief bow towards conscience. "Some of you even expressed misgivings at thinking about a dream house. Said one: 'This was a lovely fantasy! But I feel slightly guilty because my greed is boundless, and recently I've seen and lived in Third World countries.'"

In the same spirit, in an article on buying computers, Lindsy Van Gelder writes, "How would you like to type 'RR is a MCP' and have your computer keystroke 'Ronald Reagan is a male chauvinist pig'?" Right on.

*Ms.* used to run articles that criticized society's emphasis on a woman's appearance. The magazine that in 1973 printed "Alice in Cosmeticland," which ridiculed the rituals of using makeup to please a man, now carries as many ads for cosmetics as any mainstream beauty



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magazine; fashion and grooming make up 30 percent of *Ms.* ads. In fact, *Ms.* recently announced that its entire November issue will be devoted to fashion.

That shouldn't be surprising if you saw the May "Beauty of Health" issue, which shows a woman leaning out of her bath wearing only strategically placed bubbles and perfect makeup. (There is one issue every year devoted entirely to health, though last year there were two, including an August issue on "Staying Fit For Life.") In between informative stories on women's health care centers and the National Black Women's Health Network are stories such as "Do You Have Color Anxiety?" an analysis of the fun of wearing bright colors, a story that includes information on plumping out wrinkles with collagen injections, and—the clincher for the healthy feminist—"Going for the Big 'O': Discoveries About Easily Orgasmic Women."

*Ms.* also now runs articles on men's appearance. In an "exclusive" interview with February's coverman Richard Gere [*Ms.* was on the right on our cover; *Playgirl* on the left], Gloria Steinem hails Gere, her "premier example" of the new "sexual and sensual" male lead, who, she says, has displaced the "ordinary looks of a Dustin Hoffman or Donald Sutherland—or a Woody Allen, Al Pacino and others. . . ." In reclaiming the importance of prettiness, *Ms.* has at least gone egalitarian.

You might assume that at the very least *Ms.* would refuse to encourage practices that are dangerous to one's health. Especially since the first issue of the magazine stated that a humane advertising policy was an important goal: "Obviously, *Ms.* won't solicit or accept ads, whatever the product they're presenting, that are downright insulting to women. Nor will we accept product categories that might be harmful." Moreover, a survey last year revealed that "our readers identified health coverage as the number one reason you read *Ms.*"

But just how harmful must a product be before it offends *Ms.*'s editorial board? Publisher Patricia Carbine says the only ads the magazine refuses outright are those for products such as bust developers. Yet *Ms.* regularly runs cigarette ads (and always has), even though smoking was clearly recognized as unsafe in the early 1970s and is now the leading cause of cancer deaths among women. Although tobacco companies have increasingly directed their campaigns at women, depicting smoking as both assertive and sexy, *Ms.* has only infrequently, in general articles on health, pointed to its dangers. "We write about subjects when they're news," Carbine says. "What we have done consistently in regard to smoking is to report news as it breaks."

Following a complaint from a reader that running tobacco ads in its 1985 health issue was offensive, *Ms.* editors responded that they "depend on advertising to 'pay the rent' and keep the magazine financially healthy [ad revenue was down 11.2 percent last year]. . . . *Ms.* readers have the intelligence to make their own choices if they have up-to-date, relevant information about products. . . ."

## The cutting edge of fluff

Vacuous articles and articles that promote the lifestyle of the powerful and well-to-do are certainly common enough in the magazine market. But one expects more of the country's most influential feminist magazine. After all, *Ms.* even refers to itself as "the magazine of record for women."

It is true that there are articles in *Ms.* about poor women, pink-collar workers, and Third World patriarchies—articles that expose serious problems. Last December, for example, *Ms.* reported the spate of miscarriages resulting from the Union Carbide plant leak at Bhopal, India. *Ms.* also was responsible for the first national survey on campus date rape, which revealed staggering statistics on its prevalence.

But this kind of story is rare. Furthermore, the analysis offered on important feminist issues is too often limited, the proposals for change too often narrow, and the space given to either, too small. While the early *Ms.* sometimes ran articles on silly subjects, they tended to be short; the bulk of the magazine was devoted to serious issues. Now the reverse is true.

Few magazines are willing to struggle with the difficult problems that still face women. Wasn't *Ms.* founded to offer more than *Glamour*, *Mademoiselle*, or *Vogue*, which, for all their fluff, have taken to running legislative updates on issues that affect women, as well as articles on sexual harassment, spouse abuse, and pay equity?

Why has *Ms.* changed so much? In large part, it seems, because its readership has. *Ms.* is proud of its nearly 480,000 regular readers, whom it describes in a recent ad: "*Ms.* stands squarely on the cutting edge, and our readers are the readers who are making it happen. They're the innovators, the opinion-makers." *Ms.*'s most recent reader profile supplies the statistics. *Ms.* readers are "much better educated than readers of any



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other women's magazine. . . . better than readers of *Esquire*, *U.S. News*, *Time*. 71 percent went to college. . . . 26 percent have a $40,000 plus household income. 41 percent own stock. They have an average $88,000 each invested. More work in professional specialties than. . . . readers of *Forbes*, *Fortune*, *Money*, and *Business Week*. 13 percent own their own business. 35 percent are in management positions." And, of course, *Ms.* readers "run, jog, swim, play tennis more often than anybody—including readers of *Self*."

Without question, the women's movement has radically changed the boundaries of a woman's and, to a lesser extent, a man's, role in American society. And *Ms.* helped lead the way. *Ms.* urged women to attain the positions that have given them the power to make change. The tragedy is that it no longer pushes them to demand that change. Instead of challenging its readers, it panders to them: the economics of magazine marketing has taken over.

"Think of the magazine as a woman," says Carbine. "There are virtually no women of any age in the country who have not been on a sort of personal journey over the history of *Ms.* . . . There are many diverse things to write about precisely because of things the magazine helped set in motion. . . . In the earlier days, we spent a lot of space examining where women really were, vis-a-vis society. It's accurate to say that we don't have to do that anymore. What's now accurate—and more fun—is the ability to look at solutions as opposed to devoting space to quantifying the problem." But instead of offering "solutions" that show women how to play by today's rules, *Ms.* would do better to build on its original ideals. The early *Ms.* certainly didn't have all the answers, and sometimes it was wrong. But at least in its groping, it challenged the worst of the status quo, and pointed to the possibility of a society where relationships could be more than conquests, where individual worth wouldn't be measured by the money one made or the prestige of the job one held.

By publishing heaps of articles on gaining traditional status jobs, on being pretty, on playing sexual power games, and on buying the toys of the entitled, *Ms.* insinuates that these are what should be important. And in that pile, *Ms.* also buries its occasional political insight—and its credibility. After all, how seriously can anyone take a story about a welfare mother trying to break out of her Chicago ghetto when the pages are perfumed with the cloying sweetness of Calvin Klein's "Obsession?" As an old feminist saying goes, "context is everything." ■

# THE WASHINGTON MONTHLY

## Journalism Award

**for July 1986 is presented to**

**Scott Simon**
***National Public Radio***

In an interview with an articulate, affable crack addict near Times Square, Simon showed the human side of the crack problem. His probing but respectful questions were able to both convey the listener's concern and demonstrate the addict's desperation, even as he claimed crack "was the best thing that ever happened" to him.

**The Monthly Journalism Award** is presented each month to the best newspaper, magazine, television, or radio story (or series of stories) on our political system. Nominations for any newspaper, magazine, or radio or television station in the country are welcome. The subject can be government in its federal, state, or municipal manifestation.

The award for stories published or aired in September will be announced in the December issue. Nominations will close October 15. Nominations should be accompanied by two copies of the story or stories.



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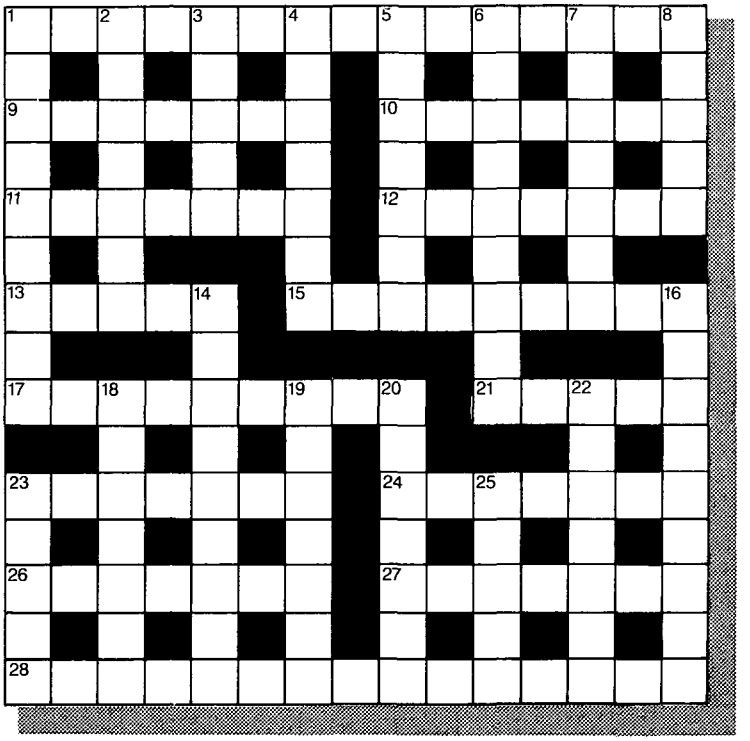
# POLITICAL PUZZLE

## by John Barclay

The numbers indicate the number of letters and words, e.g., (2, 3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word.



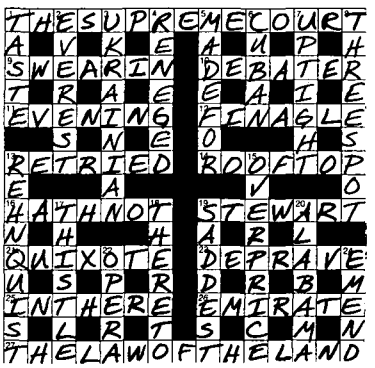
### ACROSS

1. Hectic race often lost? No, what is at stake in 1986. (7, 2, 6)
9. Six chewed a mint for diet improvement. (7)
10. Landlords' symbols? (7)
11. Planned Ron's war for Verrazano feature. (7)
12. Modern Persian confused in a rain. (7)
13. Before backtalk is found at New York airport. (5)
15. Stage item around strange hints for place of business. (9)
17. Fast boat after back of launch shaken dry of petroleum. (9)
21. Send and get back the same. (5)
23. Won around fifty in hog extension test. (3, 4)
24. Ninety-nine note in against kind of circle. (7)
26. Caribbean native in a Thai costume. (7)
27. Inanely and strangely plays around ratio. (7)
28. Do starting dance carefully for politician's dream. (6, 9)

### DOWN

1. Scientist and chives confused. (9)
2. Turner on top of mountain range is not unexpected. (7)
3. Play hero offers somewhat more than nothing. (5)
4. Prepares intricate spun lie. (5, 2)
5. In life fifty upset by filmaker. (7)
6. Miner is former drawer? (9)
7. Bad ache and reorganized f-j omission make poker hand. (3-4)
8. All directions in German industrial city. (5)
14. Build-up for good swing? (9)
16. Short railway epistle scattered in colonnade. (9)
18. Word tossed around tossed game device is more old-fashioned. (7)
19. Food fad grain company reorganized. (7)
20. I snivel uncontrollably as domestic joins household. (5, 2)
22. Artfully dial for area code 904. (7)
23. NYC area going up toward end of month for Christmas sounds. (2, 3)
25. Popcorn constellation island. (5)

*Answers to last month's puzzle:*



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by Gregg Easterbrook

# HAVE YOU DRIVEN A FORD LATELY?

## THANKS TO DONALD PETERSEN YOU MAY WANT TO

*EDITOR'S NOTE: In our July/August issue, Kitry Krause wrote "Americans Can Build Good Cars" about the first-rate products coming off the assembly line at the Honda plant in Marysville, Ohio. Though the company and the car's design are Japanese, the workers are Americans—a heartening sign for those worried about this country's industrial decline. The following article by Gregg Easterbrook should come as even better news. It is about how the most American of companies, Ford, is building good cars on American soil, and about the man most responsible for this welcome achievement.*

On a very dark day in 1980, Donald Petersen, newly chosen president of Ford Motors, visited the company design studios. Ford was in the process of losing $2.2 billion, the largest single-year corporate loss in U.S. history. The future seemed equally bleak. Most Fords could charitably be described as iron thunder lizards. There was no minimum to the number of them Petersen could sell.

Petersen had come to review proposals for a new Thunderbird—the model that had been Ford's flagship but through the 1970s had grown about as exciting as a tuna trawler. He was shown the customary sketches of big, boring boxes. Ford designers, truth be told, hated their own designs. Often they had tried to propose interesting cars like the Europeans and Japanese were building. Top management always shot them down. There was only one kind of car headquarters wanted to hear about: A Car Just Like Last Year's.

After examining some sketches, Petersen looked up at the designers and asked, "Are you proud of these?" There was a pause. In big corporations people are handsomely paid not to say what they think.

"No. I'm embarrassed by them," Jack Telnack, Ford's chief of design, answered. Then the designers wheeled out clay models of a different type of Thunderbird—aerodynamically smooth, European influenced. There was even a sporty version configured for the BMW crowd with a small high-tech engine, a five-speed transmission, and no chrome. When was the last time anyone saw a *stick* in a *Thunderbird*? Maybe 1956.

This Thunderbird design represented everything cars are supposed to be and Detroit products never are. Functionality. Taking the driver seriously. Appealing to the consumer's better judgment, rather than the market research department's lowest common denominator. Headquarters was bound to hate it.

Petersen said go ahead.

It was the day the scales finally fell from Detroit's eyes. For more than a decade American auto manufacturers had been kidding themselves into believing that imports were a fad. They paid dearly during the auto recession of the early 1980s, Ford worst of all. From 1980 to 1982, Ford lost almost $4 billion.

Ford sustained, in fact, much more severe losses than Chrysler or Lockheed, whose recoveries via bailout have been widely celebrated. Had Ford failed, the impact on the U.S. economy would have been far greater than a Chrysler or Lockheed collapse. Ford somehow slips by with little public attention, despite being number four on the Fortune 500 and the fifth-largest industrial corporation in the world.

Today Ford is back, both in money—in the second quarter of 1986 its profits *surpassed* GM's, despite the fact that GM sells twice as many cars—and in product quality. Dullsville cars referred to collectively as "Squaremonts" have been replaced by sporty cars that attract young buyers. The new Thunderbird, after enduring industry jeers prior to its 1983 release, has become a huge success: it is the number-one selling car in California, bellwether of the auto market and a

*Gregg Easterbrook is a contributing editor of* Newsweek. *His book,* This Magic Moment, *will be published in December.*



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state that in recent years has practically been a province of Japan. Automotive observers now generally consider Ford's manufacturing quality to be the best of the Big Three; Fords have pulled within striking distance of Japanese brands in the annual *Consumer Reports* frequency-of-repair ratings.

Meanwhile Ford has reformed itself internally, changing from a notoriously rigid bureaucracy, where managers quaked at the sight of their own shadows, to decentralized mellow-land, straight out of *In Search of Excellence*.

It's fair to say that Ford's comeback—accomplished entirely without federal aid—is the most significant economic recovery in recent American history. Yet it has occurred with little public notice and with almost complete anonymity for its leader, Donald Petersen, who last year moved up from Ford president to CEO. But then his profile has never been high. Even after he took over the helm at Ford, the company's proxy statement misspelled his name.

Those left standing at the top of the organization chart are usually seen as egotists, martinets, or drones. Petersen in constrast seems like a Totally Normal Guy. He is softspoken, mild, nearly paternal: the kind of father figure who would insist that you do your homework, then bring you a cup of cocoa as you worked.

Born in 1926 on a farm in Pipestone, Minnesota, Petersen would appear on paper to be the last person in the world to lead an assault against corporate tradition. One, he's a lifer—been with Ford since 1948, never having had another employer in adulthood. Two, he's an engineer—the first Ford CEO since Henry himself to have product knowledge, rather than training in finance or skillful selection of parents, as his primary credential. Three, he endured more than 30 years of internal feuding and tantrum-throwing on the part of Henry Ford II, former Ford president Lee Iacocca, and others in Ford corporate management, without ever publicly protesting. The most commonly used adjective for Petersen is "quiet." For relaxation, he collects rocks. Not exactly the personality profile of a revolutionary.

"People complain that Petersen is too quiet," said Joseph Kordick, a Ford general manager. "That's because he's listening. They don't know how to deal with a CEO who actually listens to the people beneath him."

## A dull man of substance

One day in April, Petersen and I toured a stamping plant in Monroe, Michigan. The plant is only one hour from Ford world headquarters, yet no Ford CEO had ever seen it.

Petersen travels in a Taurus family sedan. Not a limo, not even a Lincoln. There's a phone up front and an adjustable reading light rigged into the back seat headliner. Without these extras, you can have the car the CEO of a $39 billion corporation rides in for about $12,000.

Looking at the car I wondered, *Where are they going to put the steely-eyed bodyguards? The flurry of aides?* There were none. Petersen is the highest-ranking person I have ever observed to travel anywhere, even down the hall, without a cavalcade of briefcase-holders and brown-nosers swirling around him.

His reception at the plant is a triumph of minimalism. A guard stands in the street to point toward the parking lot; that's it. Some plant officials show Petersen to a small, stuffy conference room—Monroe is a manufacturing facility, as opposed to an assembly plant, which means the inside is noisy and grimy. There is no evidence of any special cleanup or fuss in anticipation of the boss.

Supervisors and UAW members crowd into the conference room for a short speechmaking session during which Petersen seems uncomfortable being the center of attention. There is a monitor at one end of the conference room for the factory's closed-circuit television system; inexplicably, "Night Court" plays in the background throughout the session. Petersen asks Stan Cronenwett, the plant manager, technical questions about the Monroe operations. ("What forms does your steel arrive in, Stan?") Cronenwett talks about educational services for workers, including aid in completing high school, offered "if only in the hopes of helping them understand basic economics."

Cronenwett gives Petersen a blue barracuda jacket like the ones plant supervisors wear. He puts it on. Then Les Burnett, Building Chairman of Local 723, hands Petersen one of the sharp black and gold softball jackets of the local, with "honorary member" stitched beneath his name. In big-industry labor relations, this just doesn't happen: most major industrial unions would be more likely to give the CEO a cement overcoat. Petersen seems genuinely pleased. He is also perplexed as to which of the jackets he should wear onto the plant floor. "We outnumber you," Burnett notes. Petersen goes with the union label.

Petersen has invested nearly all his moral capital in a labor relations reform program called employee involvement. "At first we thought this



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## Ford has reformed itself internally, changing from a notoriously rigid bureaucracy, where managers quaked at the sight of their own shadows, to decentralized mellow-land.

employee involvement program was a lot of B.S.," Burnett tells me as we walk along the factory floor, "but now we think it's for real." He points to a wheel-making line. "See that? The hourly people control that whole line. There's no supervisor. I never would have believed I would live to see anything like that or to be saying nice things about the company."

A few years ago Monroe was on the verge of closing. Now, though total staff is down from 3,000 to 1,750, its future appears secure. Over the opposition of UAW national leadership, the local made concessions on job classifications, which in "mature" industries are often a greater problem than wages, as they tend to force companies to retain outdated, unproductive methods. Thirty-three robots have been added to Monroe since 1982, when there was no automation. Much of the plant's new equipment comes from Japan. Watching a gigantic, $5 million, imported transfer press spit out parts, I felt a sudden delight to think that I might be witnessing Japanese capitalism selling us the rope that would be used to hang *them*—equipment we would use to catch back up.

Petersen spends considerable time poking around the plant, questioning workers. Then he heads to another conference room to meet with the employee involvement committee. There are 19 UAW members here, and each recites an idea his subunit has found to save money. Petersen respectfully questions each in turn, then delivers compliments. It's a slow, ritualistic session in which any Japanese manager would feel at home. Petersen shows no impatience, though this room, at the center of the production area, is even hotter and stuffier.

Some tales the workers tell confirm your worst suspicions about old Detroit. Frank Giarmo notes his department had trouble with steel provided by a particular supplier. The steel was hard to machine and had been for years. Finally Giormo's employee involvement group called up the supplier to ask what the problem was—and discovered that no one had ever told the supplier how his product was being used. The supplier quickly changed chemical formulas to make the steel more malleable.

During the session another worker, Charles Johnson, actually tells Petersen, "I'm proud to be a member of the Ford family." Afterwards Pat McCarty, a member of the local bargaining committee, notes, "Five years ago nobody would have dreamed of saying that. Or if they had, they would have been booed down."

Of course, even five years of enlightenment is insufficient to drive out decades of bad feelings. "It used to be that we practiced strictly two-by-four management; if anybody got out of line, we hit them with a two-by-four," said Bob Gindorf, a Ford plant supervisor. Such attitudes die hard, and though Ford factories are becoming better places to work, some still offer the traditional mix of physical stress, mental strain, and management arrogance that is a recipe for alienation.

That evening I watch Petersen switch gears, attending a posh reception at the Detroit Institute of Arts. Although he does possess a few imprints of status-seeking—a seat on the Council on Foreign Relations, membership in Mensa—Petersen looked much less comfortable than he had discussing weld spatter on the Monroe factory floor. In a crushed crowd of black ties and gowns, Petersen ends up elbow-locked about ten feet from GM chairman Roger Smith. If they ever shook hands or acknowledged each other, I missed it. Petersen doesn't like to speak about Smith or his ancient rival Iacocca. He is said to consider Iacocca an unseemly self-promoter and to hold him responsible for many of the bad vibes at the old Ford.

Another day I had the opportunity to observe Petersen introducing David Stockman to a meeting; Stockman's book *The Triumph of Politics* had come out just days before. On the speaker's platform, Petersen followed Hicks Waldron, CEO of Avon Products and subject of a gushing *New York Times Magazine* profile that somehow made him seem very important and very silly at the same time.

Waldron was smooth and sophisticated as a speaker. Petersen was awkward and less impressive. Waldron, however, effectively said nothing, delivering only applause lines and self-references. Petersen caused some uncomfortable shifting about in chairs by discussing how Stockman was making money condemning deficits for which he was largely responsible. See-



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ing Waldron and Petersen back to back was an excellent object lesson in the difference between a shallow man with flair and a dull man of substance.

## Only their chauffeurs knew

How did Ford, and Detroit generally, get into such a mess in the first place?

In the 1970s, it did not take marketing genius to figure out that domestic producers were not listening to their customers. Fuel economy was not, as is often assumed, the only factor in the equation: imports increased their market share even in years when gas was plentiful. Quality was the key to the appeal of foreign automobiles. When consumers thought import, they thought of reliable cars in which engineering mattered more than style. When consumers thought domestic, they thought of the Ford Pinto, icon of corporate indifference.

Features were another issue. There simply wasn't an American-made car that was nimble, functional, and stayed glued to the road. While Toyota Celicas, Nissan Zs, Honda Accords, Mazda RX7s, Audi Foxes, and similar sporty foreigners were selling by the boatload, hardly any domestic cars offered so much as a tachometer. And five-speeds? Get away, m'boy, you bother me. As buyers thronged to sporty imports, Detroit just kept on stamping out self-propelled dentists' offices.

This is doubly perplexing because General Motors and Ford knew perfectly well how to make quality sports cars—they were making them in Europe. The products of GM's Opel division were well regarded by German consumers; Ford was Europe's number one producer and was considered a prestige nameplate in Britain. The bureaucracies in Motor City, though, were so mired in Not Invented Here that they resisted ideas from their own foreign divisions.

"During the 1970s there were intense debates inside the industry that centered on handling characteristics," Petersen told me. "Management seemed to feel that car users in America, with its extraordinary expanse of wide highways and its extremely long driving distances, would never want the kinds of cars people wanted in Europe, where winding, narrow roads require much more demanding performance characteristics."

In other words, since the U.S. had good roads, it could have bad cars.

Seeds of change were planted in the 1960s, when Ford began to rotate more executives to its European division. One purpose was a kind of initiation ritual: pledges were supposed to return to headquarters, a place employees bewilderingly refer to as "the Ford division of Ford," grateful to be back in the company's prestige center. Instead many, Petersen among them, returned disenchanted with Ford products. "Every year we had a higher percentage of managers who had spent time in Europe and, when they came back, didn't have such built-in prejudices against functionality," he said.

In fact, exposure to Europe helped turn Petersen into a discriminating enthusiast. He became, in the words of former Ford executive John Steward, "a plain and simple car nut, a guy who loves to look at cars, to talk about them and bomb around in them." Petersen is a graduate of Bondurant—the California school where amateurs are taught to drive like professional race car jockeys—and has made the course a rite of passage for other current Ford executives.

Though Detroit is all about cars, being a car lover is unusual in the corporate culture there. Stuffy financial types, shocked at the thought of getting their hands dirty, traditionally dominate American auto management. It's been said that the Big Wheels of the Big Three lost touch with the declining quality of their products because they never drove them. Only their chauffeurs knew.

Nearly all Petersen's assignments at Ford, on the other hand, had been in product planning, the car-lover's end of the business. During the mid-1970s he was instrumental in pushing for a smaller, handsome new version of the Mustang to replace the lumbering "Mustang II." The new Mustang, released in 1979, proved a durable design, continuing to sell briskly in 1986—and, like the better European designs, to look sharper rather than duller every year.

Today a high concentration of the vehicles parked in the executive lot at the company's headquarters in Dearborn, Michigan, are driver-oriented small cars—Mustang SVOs and 5.0 GTs, Thunderbird Turbo Coupes, Merkur coupes built by Ford of Germany. ("Merkur" is a made-up word designed for Eurosnob appeal. In Germany, the car is called a Ford.) Looking at the group a long-term company veteran noted, "Five years ago that lot was strictly LTDs and Mark IIIs."

Though Petersen was able to sell his fellow managers on the virtues of small cars like the downsized Mustang, he met resistance to his plan to shift the company as a whole toward European-style cars. "In 1980 the continuing majority view within the industry was that cars such as the Thunderbird Turbo were simply going too



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far," he explained. "They said a driver-oriented [American] car could simply never sell. It was tremendously frustrating."

What finally changed attitudes? The withering losses of the early 1980s. "I'd like to think we could have reformed the company without that shock. But realistically, I doubt it very much," Petersen said.

Louis Lataif, A Ford vice president, put it this way: "A large organization will keep right on doing whatever it's doing as long as the profits hold out. Individual buyers [in the 1970s] were telling us they didn't like the products, but as an organization we didn't hear them until the message was written in big, big numbers." Like billions.

## The $3 billion car

In 1980, Ford had one ace in the hole, the Escort subcompact, for which planning had started in 1976. Escorts hit the market in 1981. Moderately priced and reasonably well built, they have become the world's top-selling subcompact overall. (Ford, despite number-two status, has several number-one models because GM issues cars in multiple renditions.) Escort helped Ford avert bankruptcy but not regain profitability, because subcompacts are the least profitable type of car. An "upmarket" success was essential if Ford wanted to earn money again.

After taking his early gamble on the Thunderbird, Petersen made an even bigger leap, into the Taurus/Mercury Sable, intended to be the company's primary offering in the intermediate class where the numerical bulk of auto sales occur. If Ford was going to bounce back financially, it would be Taurus, not Escort or Thunderbird, that would represent the cash cow. This decreed a cautious approach—a strategy gospel to Detroit, where intermediates are all but interchangeable. Instead, Petersen decided to go for broke. He decided Taurus would be the first Detroit attempt at a crossover car—targeted at the typical family buyer, yet imbued with European handling characteristics and functionality.

Taurus, Petersen decreed, would be European in every detail: tight handling, no mushy ride; exterior styling dictated by aerodynamics; interior styling dictated by ergonomics. Ford engineers dissected an Audi 5000, which they considered to have the world's easiest-operating trunk, and designed the Taurus trunk mechanism accordingly. They laboriously analyzed the Toyota Camry hood balancing mechanism to determine why it worked better than Ford's, and patterned the results into Taurus. The "detent" of dashboard switches—the clunks and clicks made—was redone until the switches felt solid, not like they would come off in your hand. Even the configuration of the engine compartment was designed, to ease maintenance.

Anyone with more than a casual interest in cars values such subtleties: they are the essence of the German approach to auto engineering. But could Ford, a mass manufacturer garnished with Madison Avenue hype, sell these touches to suburbia? When Taurus plans leaked, even the automotive "buff books" said Petersen was going in over his head—making a car too refined for the average American to appreciate.

Petersen says his years in product development had convinced him that it wasn't hype that sold cars: cars sold cars. And he wanted a car the company could sell on its merits. "I can remember long conversations with the creative people at our ad agencies," he said. "I'd go through their ads and circle hyperbole, underline excessives, cross out the obviously touched-up photographs. I'd say, what's the matter, aren't our cars good enough as it is? Eventually I decided that if they had to exaggerate what the cars were about to sell them, it was our [management's] fault, not theirs."

Through the auto recession years of the early 1980s Petersen sank more than $3 billion into Taurus development. That means that during the same period Ford was sustaining record losses, it was making record product investments, something industrial policy deepthinkers say American corporations never do. Ford's losses correspond almost exactly with Taurus development costs; in a sense the company's troubles were the price of forcing itself to make a quality car.

The gamble paid off. Taurus and Sable, released the day after Christmas in 1985, are the auto world's hits of the year. Both are selling with a three-month back order, with their assembly plants running double shifts. Ads for the cars talk strictly about features and function, not baseball games. Detroit is finally making a buck by not underestimating the intelligence of the American public.

## Star trek

In pursuit of quality, G.M., Ford, and Chrysler each have initiated various internal reforms. Ford's are the most striking.

Labor reform came first. "The adversarial relationship with labor had reached the point of



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dysfunction," Stewart said. "People were really ready for something different." In the early 1980s Ford hired a gifted labor relations manager named Peter Pestillo at about the same time Donald Elphin, the brightest light of the UAW, took charge of the union's Ford division. The program of employee involvement, roughly what the Theory Z proponents call quality circles, was initiated. Assembly-line workers actually started talking to the "salary side"—their supervisors.

In a key test of employee involvement, early Taurus mock-ups were taken to a Ford assembly plant in Atlanta and handed over to the workers for their analysis. This may sound like an obvious, common-sense step—production people are bound to see things engineers miss—but in the long-running saga of mutual throat-cutting that is modern labor relations, the thought of *management* going to *workers* for advice is radical.

Production workers examining Taurus suggested numerous changes, noting for example that interior assembly required several screws of only marginally differing sizes; they were replaced with a standard screw.

In another case, workers gave Ford marketing advice. A compact called the EXP, similar to the Escort, was scheduled to expire with the 1986 model year. Layoffs were in the cards for the Wayne, Michigan, plant where Escorts and EXPs are made.

Rather than bewail the situation, UAW members at Wayne expropriated a few surplus EXPs and tinkered with them until they had assembled an alternative—a new model having more sheetmetal in common with Escort, which cut overhead and made the car more attractive. Management was persuaded to keep the workers' concept in production as the "Escort EXP." Now selling briskly, the Escort EXP has performed a demographic miracle of sorts for a domestic industry plagued with aging customers—its buyers' median age is 24.8, lowest of any car sold in the U.S.

As worker relations improved, a system called Statistical Process Controls—which sounds like the product of a bad MBA thesis but is said to separate meaningful information from eye-glazing data—was instituted at Ford with the aid of a management guru named Dr. Edwards Deming. Edwards Deming is not well known to the general public, but is both a villain and a folk hero in Detroit. During the 1960s and 1970s, Deming, spurned by the Big Three, worked in Japan advising Japanese automakers on how to drive their American counterparts crazy.

Ford Motors had attempted something like Statistical Process Controls in the 1950s, when Robert McNamara was running the company. Petersen was then aligned with McNamara's Whiz Kid faction. "Meetings with McNamara were the most exhilarating experience of my life at the time," Petersen said. "He would sit around absolutely barraging us with questions, like a professor, then listen very closely to the answers, which not many other people in the company did. I'd go home at night exhausted."

The Whiz Kid attempt to initiate quality controls in the 1950s failed to translate this exhilarating talk into action. "It was too top-down, I think," Petersen explained, using correct *Search of Excellence* argot. "The plants had all the charts, plastered on every wall. But plant managers could sense nobody was really paying attention to it in the corporate hierarchy. After a while they quietly took down the charts and went back to business as usual. And Dr. Deming went to Japan."

McNamara's departure in 1960 to join the Kennedy administration as secretary of defense, after just 33 days as Ford president, taught Petersen a hard lesson of corporate survival. "I resolved to avoid as much as I could being identified strongly with some superior or to be seen as part of any particular clique, even if it was the clique on top at the moment," he said. It would be years before Petersen was back on the star track.

## The $1.2 million memo

What the UAW now calls "enthusiastic cooperation" at the factory level is, Ford comptroller David McCammon says, a primary reason the company judges its car quality to have improved 51 percent since 1980.

In a sense figures like this constitute an admission that the Detroit products really were as bad as they seemed. What would you think of a publication that announced it was now 51 percent more accurate? In another sense the figures are important signs of honesty. I expected Ford officials to be cagey, avoiding any direct confession of past failings. Instead they spoke incessantly about how bad the company used to be. A typical comment, from Stewart: "Ford was very badly authoritarian in its management style. Goals were short term, profit was God." Another, from John Turner, a trainer in Ford's new management system: "There are 16 references to Ford in *In Search of Excellence*. They are all negative."

Yet while relations with hourly workers were



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being brought into the future, Petersen seemed hesitant to extend the same level of progress to the salaried side. Here the shadow of Henry Ford II, who remains on the board and in control of nearly 40 percent of the company's stock, continued to fall across Dearborn. It was painful enough, from the Deuce's ego standpoint, that Petersen was fundamentally changing the Ford product line. How could he restructure headquarters without repudiating the founder's son altogether?

The swiftness with which Henry II took the heads of those who displeased him was not exactly secret. The Deuce fired three Ford presidents in the 1970s, including Iacocca, and though now gone from Dearborn to retirement in Palm Beach, Henry II knows he could have another trophy for his mental mantelpiece at a moment's notice.

"When Henry II was here we all lived in constant fear," said one Ford veteran. "It was death to disagree with him." The Deuce seemed privately to enjoy setting off internal rivalries. According to John Manoogian, Ford's executive director of quality assurance, "Each division within the company was [then] chiefly concerned with its own performance and really didn't care about the other divisions, to say nothing of optimizing the final product. One division would take delight in saying that another had fouled up, instead of trying to help."

Of near legendary status were disputes between the design bureau and body engineering, which had to translate style into metal. Though their buildings are adjacent on the Ford "campus," officials of the two departments often communicated by memo, refusing to meet face to face. "We talked about quality all the time, but I was not personally convinced upper management was behind it," Manoogian said.

The tenure of Phillip Caldwell, who served for five years as CEO between Henry II's retirement and Petersen's ascent, bridged the gap between the dictatorial Ford family style and the Petersen decentralized approach. Caldwell was old school, wedded to formal chains of command, but is credited with sensing his approach was wrong and laying the groundwork for the reforms Petersen carried through. He also embarrassed the company by awarding himself approximately $7 million in stock for the three worst years in Ford history. Caldwell, who left for Shearson Lehman, achieved a more admirable distinction inadvertently. His replacement by Petersen represented the first friendly transition of power in Ford Motor Company history.

While Petersen's star was low after the departure of McNamara, a serendipitous thing happened to him—temporary exile to Truck Operations. Trucks represent big money for the auto industry. In the past two years, between the advent of truck-type "family vans" like the Dodge Caravan and the general popularity of pickups and four-wheel drives, light truck sales have grown faster than car sales: the top selling vehicle in the United States right now is not a car but the Ford F-series pickup. Despite their business value, however, trucks, like European operations, were traditionally low-status to Ford top management. Headquarters directed its rigidity and paranoia inward. Petersen, freed, would have a revelation.

"As I worked at Ford through the years I just couldn't stand the infighting that was going on, the pointless jockeying for position," he said. "Then I went to Truck Operations, which had a positive sense of self, lots of stability, and worked together as a group.

"After a while it struck me. *These guys are having fun.* They enjoy what they're doing. There is little petty bickering. And they are doing their job perfectly well, thank you, without a whole lot of complicated orders from a large superstructure. It was clear they knew something I didn't know."

In the fall of 1984, as Ford's fortunes were rebounding, Petersen assembled his plan for "participatory management"—employee involvement at a white collar level. It called for writing Tom Peters-style theories directly into the coda of the world's fifth-largest corporation. Good God, Peters must have thought. They're actually taking my advice!

How could the Deuce react? Addressing the Ford management committee, he endorsed the plan. Leaving the podium, Henry II leaned over to Petersen and said, "Well, Pete, I hope you liked the sendoff I gave your new approach." *Because if it doesn't work wait till you see the sendoff I give you* was written between the lines. With Henry II's assent, Petersen could act.

The company sent representatives to the "excellent" companies Peters had praised, such as Proctor & Gamble and Xerox, seeking advice. One result was putting a product manager—someone with overall authority for a finished product, not just its parts—in charge of each new project. Quarterly departmental goals were replaced with general company-wide goals. A statement of company guiding principles was printed up for employees to carry in their shirt pockets. (General Motors would later make a similar declaration and print it on similar cards—a difference being that while the Ford card



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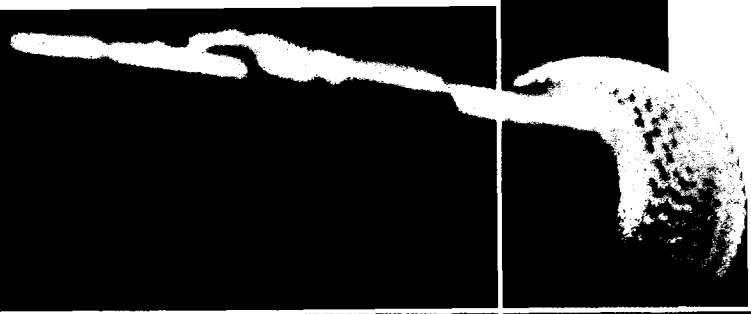

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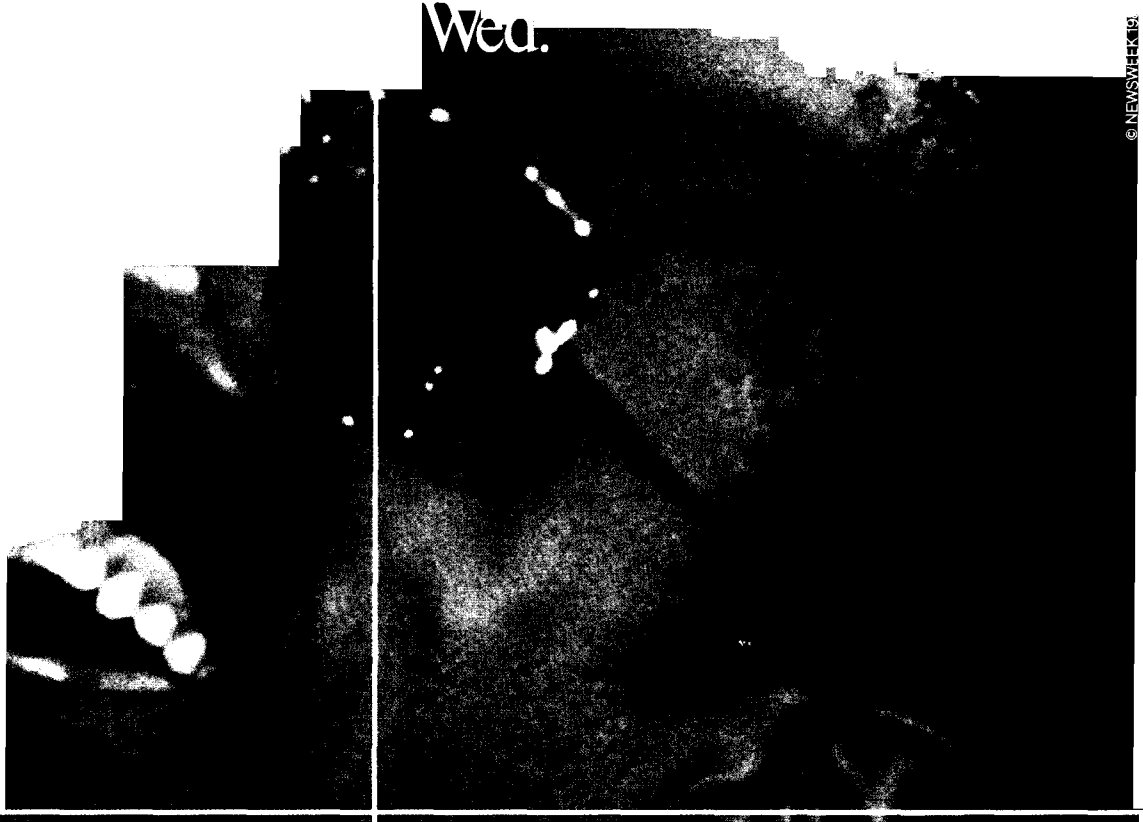


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Why it happened. What it mea

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is decorated simply with a Ford logo, the GM card sports the image of Chairman Smith.) Compensation for the company's top managers was altered to focus on five-year gains, instead of short-term Wall Street ticks.

Petersen further decided that managers should hold nonstructured, no-agenda meetings—*nonstructured* being as welcome a term in the normal corporate lexicon as, say, *bra-less* or *tax increase*. Richard Hartshorn, another Ford executive trainer, told me, "Caldwell wanted everything very crisp, controlled, written down in books. You'd bring these loose-leaf binders into a meeting and read from them aloud for hours. There'd be a layer of nervous executives in front, followed by the 'amen row' behind them, aides furiously flipping through the binders and nodding no matter what was said. It was incredibly stifling."

All 3,000-plus top Ford managers are now slated to go through a week of deprogramming at the newly opened Ford Executive Development Center (FEDC), located on the 38th floor of a tower in the Renaissance Center. The Ren Cen is the downtown Detroit mega-project sponsored by Henry Ford II as his noble but debatable parting gift to the inner Motor City. Originally Ford's elite management tier was to move there. Petersen said no, not wanting the top handful of executives physically removed from everybody else in suburban Dearborn. He gave suites over to the new development center.

What was to be Henry Ford II's private office in the Ren Cen is now used as a storage room. What was to be the new corporate boardroom, now used for FEDC rap sessions, has a Kevlar shield half the size of a railroad car that can be rolled into position to seal off the windows from shots fired from the adjoining tower. This supposedly would protect the board of directors against terrorists, though a more likely threat would be Pinto owners.

The FEDC re-education camp session I attended was touchy-feely enough to warm the heart of Phil Donahue. Executives were given the outline of a business problem (Ford's venture with Mazda), then put into cute little role-playing groups to hammer out a consensus on priorities. Later a master of ceremonies in corduroys and faded sweater toted up their many mutually contradictory answers on a big board, taking even dumb suggestions in an appropriately nonjudgmental fashion.

Edsel Ford II, general marketing manager for Lincoln-Mercury, who is the Ford family's present link to the corporation, was there taking the class in good humor, his only badge of status being an inability to prevent himself from talking out of turn.

As the exercise was about to close, one of the executives called out, "Hey, you left out profitability."

At the end of each week either Petersen or Ford President Harold Poling comes for the morning to entertain complaints about company decisions. Any executive who tries to sit sheepishly in the 'amen' mode is prodded to say something tough. Neal Dorsey, a 25-year Ford manager from the tractor division, told me, "At first I thought it had to be some kind of trap. I thought, what? Am I nuts? Am I going to commit political suicide by telling bad news to the boss? But now they really do want you to say what you think, even if it's critical."

Kordick became an unofficial spokesman for the new participatory management. He appears regularly on the Ford internal television network, peppering his speech with phrases like "loving and caring," "trust and respect," "business approaches must be Biblically correct," even "giving people good strokes."

"On my first day at my present position I got a minor memo with 19 senior signatures on it," Kordick said. "I calculated that $1.2 million in annual salary had gone into clearing that insignificant scrap of paper. Obviously, it was just people covering their asses. It's staggering to think how much time we used to waste on that type of thing when we should have been looking after our customers."

## Darkness on Motown's edge

Because quotas on Japanese imports continue to shelter U.S. automakers from "basic economics," many commentators contend that the recovery of Detroit is an illusion.

First, they say, Detroit is living on borrowed time with respect to default monopoly on large cars. At recent Japanese auto shows an ominous number of mid-sized to big machines, too big for sale in the home market, have been on display. Should the quotas be lifted or loosened, Toyota Impalas may be on the way. Meanwhile nothing is stopping Korean, Yugoslavian, or other manufacturers from going after this last market segment Detroit still has to itself. For his part Petersen says he considers imported cars to be "inevitable," and suspects that someday Mazda, to whom Ford has gone for help in making small cars, will ask Ford for help making large ones.

Hefty profits, critics further contend, are a



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creature of the quotas, which by virtue of restricting supply enable Detroit to charge artificially high prices.

A variety of statistical cases too complicated to broach here can be made on the impact of the quotas. Claims that the quotas add $1,500 to the price of a typical car are probably exaggerated, but common sense dictates they must add something to the kitty, or Detroit wouldn't have wanted them so badly. A key fact often overlooked, however, is that new automaker profits have less to do with prices than with costs. Detroit has been cutting costs—mainly personnel costs—with a vengeance.

Total Ford employment declined 28 percent from 1978 to 1985, a reduction of nearly 143,000 people, although the company built nearly as many cars in 1985 as when attrition started. The axe has fallen about equally on management and labor. Comptroller McCammon speaks pridefully of "our 27th consecutive quarter with a reduced corporate headcount." Ford recently announced that 10,000 more white collar workers would be let go by 1990.

Decreased labor costs lead directly to increased profits per car. In 1978 Ford earned $2.8 billion pretax on 6.6 million vehicles, or about $421 per sale. Last year the company made $3.6 billion on 5.6 million, or $643 per vehicle sold. (Improved profits from non-auto services such as financing cloud this comparison. Car prices themselves are not the explanation, as they have risen somewhat more slowly than the Consumer Price Index.)

McCammon acknowledges the cuts show Ford was featherbedded on the factory floor and in the management suite alike. Labor intellectuals have already found a darker explanation, declaring Ford's progressive management attitude merely a sophisticated diversionary tactic to turn public attention away from job reductions. Whether Ford had any choice but to cut personnel, given the competition and world overcapacity in auto production, is a subject laborites like to avoid.

While Ford shrank staff because of economic necessity, managers did not take long to discover that, as with so many big hierarchies, the place runs better with fewer people around. The quality of Ford engineering, for example, has improved during a period when nearly a quarter of the engineers have been let go. "There is no question that we are happier and more effective because we are smaller," Telnack said.

A cost that has not been cut is executive salaries. Petersen took home $1.7 million in 1985. Roger Smith of G.M. claimed a package worth about $2.1 million; Iacocca picked up nearly $15 million by exercising accumulated stock options. Technically these bundles must be ratified by shareholders, but for intents and purposes CEOs pay themselves.

After hearing Petersen tell workers at the Monroe plant that "we have no heroes at Ford, only team players," I wondered why the captain should be paid a sum that works out to 68 times more than the typical player. More, no doubt; a lot more, to be sure. But 68 times more?

American managers like Petersen who have seen the light on Japanese principles always, by the most amazing and astonishing coincidence, overlook the fact that at Japanese auto firms the gap between executive and worker salaries is far smaller than in Detroit. This not only makes the companies more competitive—one "built-in" Japanese cost advantage Detroit for some reason doesn't like to talk about—more importantly, it helps labor relations.

Nothing could please UAW leadership more than excessive executive salaries. The windfalls gathered by Petersen, Smith, Iacocca, and a few other top managers are worth their weight in gold to the union priesthood, which with each passing year has fewer and fewer corporate outrages to keep the members militant, ornery, and feeling like they still need union leadership. Union true believers speak with nostalgic longing of April 1982, when the UAW concluded a concessionary pact with General Motors only to learn that *on the same day* Roger Smith had forwarded to his board of directors paperwork for increasing executives' bonuses. The UAW was furious, of course—and also delighted. Douglas Fraser was probably popping champagne corks.

Except to a truly greedy or materialistic person, what's the practical lifestyle difference between, say, $500,000 a year and $1.7 million? Some top managers covet megabucks because they are at heart rapacious; but many others aren't—certainly not Petersen, unless his entire persona is a facade. Salary, however, was the only subject Petersen wouldn't discuss with me. He mumbled something about how compensation reflects market levels—it wasn't very convincing, and Petersen himself didn't sound convinced. In truth, top managers want excessive salaries not so much for the additional increments of money, but for the status; it makes them feel important. This is not only a poor reflection on otherwise admirable executives like Petersen; it's poor business, and shareholders should recognize it as such.

With Detroit now finally moving in the direc-



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tion of doing things right, lavish executive bonuses—at least some portion of which are made possible by protectionist quotas that penalize everyone who isn't an auto executive—remain a worrisome sign of the old ways longing to reassert themselves.

Another dark omen is the eagerness of recovering automakers to sink newfound cash into acquiring existing firms, especially defense contractors, rather than using it to try to break the Japanese through price competition, or distributing it to those shareholders who suffered through the early 1980s slump. G.M. recently bought Hughes Aircraft, a Pentagon contractor, and Electronic Data Services, the H. Ross Perot firm that made its mark processing welfare forms for government agencies—a classic instance of the right-wing businessman who condemns Big Government while craving its riches for himself. Ford bid unsuccessfully on Hughes, and has said it hopes for other opportunities to buy defense firms.

Petersen told me what attracted him to Hughes was the prospect of "stabilized earnings." It was hard not to hear "government guaranteed profits." Shuffling paper assets may be good for an individual company but does nothing to increase the prosperity of society as a whole. And sinking capital into nonproductive mergers is certainly not what the Big Three said they had in mind when they demanded special economic exemptions in the first place.

Still, if any manager of a public corporation is really worth nearly $2 million a year, it's Donald Petersen. Is he in fact that most rare of leaders, the one who truly does not care about glory for himself? Selflessness can itself be a publicity ploy: in Washington, politicians use their press secretaries to plant stories about how they don't want attention. Yet Petersen has tackled the full range of supposedly intractable modern industrial issues—import competition, product quality, bureaucratic self-interest, union self-destruction—and won at every turn, without writing a book praising himself, putting himself in his commercials, or otherwise blowing his own horn. Maybe, just maybe, he *is* for real.

"Petersen sees the recovery of Detroit as his contribution to society," Joseph Kordick says. "He wants to be remembered as somebody who did something useful with his life, not just another guy who clawed his way to the top of the corporate pyramid. There are plenty of those already." ■


# Journalists Invited to Apply for the 1987-88 Congressional Fellowship Program

*The American Political Science Association (APSA) invites broadcast and print journalists to apply for the 35th annual, 1987-88 Congressional Fellowship Program. This program, which begins November 1987 and ends August 1988, gives journalists interested in national government and politics the opportunity to work as congressional aides for 10 months. Congressional Fellows also attend a one-month orientation program and weekly seminars with some of the nation's leading politicians and scholars in American politics. A stipend of $20,000, plus some travel, is paid to the Fellows by the APSA.*

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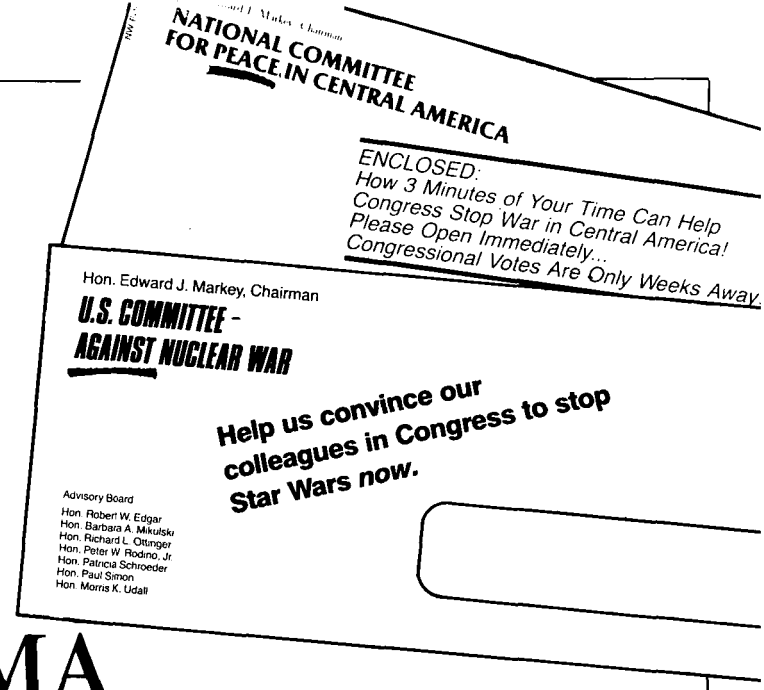
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# THE HIROSHIMA HUSTLE

by Steven Waldman

"Dear Friend, I am writing to you from Hiroshima," begins the emotional letter from Rep. Edward Markey. "Here, 40 years ago, the nuclear arms race began. It is a brilliant summer afternoon as I look out my hotel window. But earlier this morning, as I visited Ground Zero, I was overwhelmed by the enormity of what happened here."

Markey, the author of the nuclear freeze bill that passed the House of Representatives in 1983, goes on to say that having come "face-to-face" with the effects of nuclear war he now believes "more firmly than ever that we must either reverse this insane arms race, or likely in this generation see the end of life as we know it." The letter, written last year on the stationery of Hiroshima's All Nippon Hotel, implored potential donors to use the political system to stop this madness by helping elect members of Congress committed to freezing the arms race.

Eighty-three-year-old Eula McNabb of Dallas, Texas agreed with Markey's pitch. She doesn't remember whether it was this letter or one of several others Markey sent her that prompted her last year to mail a $100 check to Markey's political action committee, the U.S. Committee Against Nuclear War. She felt strongly that only by contributing money to campaigns could she help defeat well-financed candidates who, she says, "get their support from the military industrial complex." Since there are so many good candidates out there, she turned to the PAC "so they can decide which candidate is worthy."

But Ed Markey's PAC didn't spend Eula McNabb's $100 on helping candidates. In fact, over the course of its life, the U.S. Committee Against Nuclear War has spent only $40,000, *3 percent* of the $1.3 million it has raised, on such efforts. That's better than Markey's other PAC, the National Committee for Peace in Central America, which has given only 2.8 percent of its $388,000 in receipts to political candidates. The 50,000 people who have contributed to the two PACs over the past four years were also promised that their money would be used to lobby legislators, train anti-arms race candidates, conduct polling and finance canvassing and phone banks. Those promises weren't kept either.

In fact, the strange thing about these PACs is that at first glance even Markey doesn't seem to benefit from the arrangement. What's the point of a PAC that doesn't give out money?

Mailing lists.

The $1.7 million in contributions have enabled

*Steven Waldman is an editor of* The Washington Monthly. *Linda Catling provided research for this article.*



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Markey to build a bank of names of people who not only support his cause but have responded to a personal entreaty from him. He is, as one direct mail specialist put it, "sitting on a pretty valuable commodity." He has tapped it to run for re-election to the House and to run for the U.S. Senate in 1984—a campaign in which he made a point of rejecting PAC money as corrupting and tied to special interests. Markey and the aides who ran the PACs also discussed how the lists could give him national notoriety, even how they might form the base for a long shot bid for the White House.

What Markey did was perfectly legal. Indeed, Markey's PACs are most troubling because to a large extent they merely embody the worst qualities of many other PACs. They show a disregard for the reasons people give to causes and ultimately may end up hurting the causes they claim to promote.

## The name game

By mid-1982 the call for a nuclear freeze had energized a powerful, broad-based movement not seen since the Vietnam war. Starting a year earlier in several small Massachusetts towns, the effort had quickly spread from town to town, state to state, engaging thousands of volunteers. By January 1982 seven state legislatures, eight city councils, and 50 national and international organizations had joined the call for a bilateral halt of nuclear weapons production. By the middle of 1982 the effort had reached the U.S. Congress, with Ed Markey of Massachusetts leading the campaign in the House of Representatives. He had joined the fight for the freeze early on, even though his congressional district, filled with high-tech industry, was dependent on the arms buildup for jobs. He vigorously lobbied other members of Congress to support his freeze legislation, which he called "the final option. We're either going to live together or die together. All other issues are only a footnote in history." To help the cause, on June 9, 1982, only three days before the New York City freeze rally that drew 750,000 supporters, Markey established the U.S. Committee Against Nuclear War.

The PAC went to the direct mail firm of Richard Parker and Associates, which had a reputation for being idealistic, liberal, and savvy. Within a year the PAC had raised $113,000 and given out $8,000, or 7 percent, in contributions to candidates. Even giving 7 percent of receipts to candidates may seem strikingly low, but it's not unheard of for the first years of a PAC's existence. These early years are spent "prospecting," that is, building a list of loyal donors by testing out other organizations' lists. To do this they work that essential arena of modern political coalition building—the list market. Sometimes operating through a list broker and sometimes trading directly with other organizations, the U.S. Committee Against Nuclear War has swapped its lists with dozens of other liberal groups and candidates, including Physicians for Social Responsibility, the Union of Concerned Scientists, the *Nation* and *Progressive*, and others. After doing a test mailing to see if a borrowed list would give a good return, Richard Parker and Associates would "roll out," mailing to the entire list. As contributions came in, the donors' names were added to the "house list." According to direct mail theory, as this list of proven givers grows, forming a solid base to support the PAC, the portion of receipts going to candidate contributions is supposed to increase.

Markey's PACs, however, didn't increase their contributions to candidates as the house lists expanded. In fact, as their receipts grew, the proportion going to candidates *decreased*. By the 1983-84 election cycle, the U.S. Committee Against Nuclear War was spending only 3 percent of what it took in and so far in the 1985-86 election cycle it has spent only $250—despite having raised $270,000. Even after the freeze faded as an issue in mid-1983, the fundraising continued. To generate contributions, the committee shifted to other issues such as the MX missile and Star Wars. In November 1983, Markey created his second PAC around another hot issue, U.S. involvement in Central America. The National Committee for Peace in Central America gave about 5 percent of its receipts to candidates in 1984 and has made no contributions since then. His PACs' contribution record is "among the worst I've ever heard of," according to Larry Sabato, University of Virginia professor of government and the author of a book on political consultants and direct mail. The average for PACs like Markey's is 15 percent.

Over the past four years, the two PACs have spent $1.25 million on direct mail, a price tag that includes both high consulting fees as well as the actual cost of producing and sending hundreds of thousands of thick, stylized direct mail packages. After sending more than 20 mailings, they have created a hefty file of names: 17,000 for the Central America PAC and 33,000 for the arms control PAC.

But so much money was plowed into the list-building operation that even though they were



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raising hundreds of thousands of dollars, the PACs often didn't have enough money to pay the rent. Consequently, they had to take out loans, sometimes from a bank, sometimes from the PACs' treasurer and counsel, William Oldaker, and once from a lobbyist for several clients with important business before the Energy and Commerce Committee, on which Markey serves. This March, Paul S. Quinn, a Democratic party fundraiser and lobbyist who helps run the PACs, loaned the arms control PAC $500. Quinn and his law firm, Wilkinson, Barker, Knauer and Quinn, represent U.S. West, a holding company for several telephone firms, all of which have a special interest in Markey, who is jockeying to take over as chairman of the telecommunications subcommittee next year and who introduced six telecommunications bills this session. Markey says the loan is permissible because it went to the PAC rather than to him, but another person familiar with the PAC said the loan was accepted for another reason: "They were desperate to find money—from wherever they could."

## Old ladies and preachers

While the mailing list machine was operating at full throttle, the fundraising letters, with the approval of Markey's top congressional aide Peter Franchot, promised the donations would be used to help elect candidates who supported the goals of the committees. One recent solicitation from the Central America committee, for example, pledged to "earmark your contribution to be used to support those congressional candidates who favor peaceful solutions to social issues." Another said, "Most importantly, the U.S. Committee [Against Nuclear War] has been active at the polls, supporting candidates for the House and Senate who agree with our views."

They did, of course, spend some money on political campaigns—using some intriguing criteria. In the 1983-84 election season the PACs, ostensibly dedicated to stopping the arms race and war in Central America, contributed to almost half the Democrats on the Energy and Commerce Committee. The beneficiaries included some, like Cardiss Collins and Jim Florio, who had no serious opposition. Although they gave mostly to liberal Democrats, the U.S. Committee Against Nuclear War also gave to conservative Jamie Whitten, who voted for an amendment to weaken Markey's freeze legislation.

Well aware that the politically concerned would not give to a PAC that wasn't contributing to campaigns, the solicitation letters, some written by Markey aides and some by Richard Parker's firm, camouflaged this flaw. "During the 1984 elections, we helped almost *60* candidates for the House and Senate—and our record rose to *over an 80 percent victory rate.*" Actually, they gave to 34 candidates for the 1984 election. (Fifty-nine contributions were made during the 1983-84 election cycle but 28 were made in early 1983 to pay for 1982 campaigns.) Of those 34 candidates, none received the $5,000 maximum, only five received as much as $1,000, and 15 received $250 or less. The strategy was to stretch what little money they had saved for contributions to cover as many candidates as possible. And, also unmentioned in the letters, all but two of the victors were incumbents, and half of them won by more than 15 percentage points.

If they camouflaged the truth on candidate contributions, they buried it when it came to other promises. In three of the most recent solicitation letters, the PACs said they would "conduct effective polling to find out those races where our early involvement can make a difference," "lobby legislators against the expenditure of the tax dollars for guerrilla killers," "begin media training of candidates and their staffs, so that Central America is dealt with prominently and well," and "start electoral operations like phone banks and canvassing, which must begin early if they are to be effective in election."

None of the above has ever occurred, Oldaker says, nor is it likely to, as both committees are broke, without staff, and struggling to send off another mailing. As for the "regular updates," "special bulletins," and "special reports," the letters also promised, well, most of those, according to Bill Rehm of Richard Parker and Associates, "were in the form of subsequent solicitations which reminded them what's happening and ended with a request for money."

The solicitations didn't *just* ask for money or make misleading promises. They did encourage recipients to write their congressmen. And while Rehm admitted that the "as I look out my hotel window"-in-Hiroshima letter was not written from Japan ("we pretended it was"), or written by Markey (although he was "very instrumental in conceiving it"), or even on genuine stationery ("we went to a Japanese typesetter here"), the direct mail specialist was careful to point out that Markey did actually stay at the All Nippon Hotel when he visited Hiroshima last summer.

Not surprisingly, when I called some of the contributors to these PACs and mentioned the proportion of donations that went to political



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**The two PACs have raised $1.7 million, mostly in small contributions, but have spent only 3 percent of it on campaign contributions.**

candidates, their reaction was much like those who have just been told by "60 Minutes" that they've invested in phony Florida real estate. "That's dreadful, absolutely dreadful," said Louise D. Peck, retired, of Ridgefield, Connecticut. "I'm very disappointed and quite frankly angry." Ninety five-year-old Edna Sutten of LaVerne, California, who gets five or six solicitations of various sorts each day, was similarly perturbed: "It seems to me that with all those candidates who need money they should send it to them."

Is it hitting below the belt to quote a defenseless little-old-lady? No. Most of the contributions to the PAC, were "unitemized" small contributions, which don't require the donors to submit information about themselves. Yet of the 17 contributors to the Nuclear War committee in the last quarter of 1985 who did list their occupations, ten said they were retired. Granted, it wasn't just the elderly who expressed concern about the contribution levels. A clergyman did too. "That is a deception," he said. "I don't like that deception."

More important than either age or piety, though, was the size of contributions. About 80 percent of the donations were unitemized, meaning they were under $200, with the average contribution being $22. The PAC was not supported by wealthy financiers out to buy influence, but by people contributing small amounts to a cause in which they believe.

## Upwardly mobile

"There was a hope at every stage that the freeze could be turned into a higher office for Markey, whether it was the senate race or a presidential race," said one person formerly involved with the PAC. The freeze movement seemed so strong that in 1983 Markey and aides discussed how it might raise him to national prominence, and even toyed with the idea of launching a bid for president based on the freeze and his network of supporters. Even in his 1982 book *Nuclear Peril* about nuclear proliferation, Markey noted that the drive to curb nuclear fuel sales might need "unorthodox stunts" such as "an underage congressman running for vice president."

But after Massachusetts Senator Paul Tsongas announced he would not seek reelection, Markey decided instead to set his sights lower, entering a crowded Democratic primary for the Senate seat, using the PACs' mailing lists to help raise money. Of course Markey needed help raising money. After all, he wasn't taking PAC money. Even though he was running for Senate against another congressman, as well as the speaker of the Massachusetts House, the secretary of state, and the lieutenant governor, Markey led the field in fundraising, receiving $270,299 in just the first three months. Oldaker admits the lists were somewhat helpful, generating $20,000 for the campaign. *The Boston Globe* indicated it may have been much more. Markey, it wrote, "apparently translating his activism on the nuclear freeze issue into financial support, reached outside the borders of Massachusetts for campaign money. Approximately 28 percent of his contributions came from out of state, many from California." So much was coming from California, in fact, that Markey set up a Senate campaign office there.

Markey pulled out of the race shortly before the primary, apparently fearful about losing his House seat without winning the Senate race. After his reelection to the House, Markey "just lost interest in the PACs," according to Beth Grupp, who helped run them in 1985.

Even the former staff people most critical of the PACs believe Markey's commitment to the cause was sincere and that he initially set them up for noble reasons. But, they say, ambition—both Markey's and his aides'—carried him farther and farther away from the original goals. "It never occurred to Markey to ask the public to contribute to what basically was a front group," said one, "but the overzealousness of the staff around him let what could have been a good idea get out of control." After the 1984 election, according to another person familiar with the PAC,



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instead of intervening to guarantee that the PAC would be used to help the movement instead of just Richard Parker and Associates, Markey simply "hoped the problem would just go away." So with Oldaker and Franchot running the operation, and Richard Parker constantly demanding more mailings to help pay off the PACs' debts to him, the direct mail solicitations continued. Throughout 1985 the PACs raised $430,000 until February 1986, when they discontinued the mailings. They are now $75,000 in debt, and struggling to get out of their contract with Richard Parker, to whom most of the money is owed. "It was a lot of trouble to keep [the PACs] going," Grupp notes. That's a shame for those who gave the $1.7 million.

Oldaker predicts that the PACs will give out $50,000 before November; that's roughly the equivalent of all the contributions they've given so far. This seems unlikely since the PACs don't have enough money to pay the rent without taking out loans. But even if they do raise the money, that doesn't excuse the previous four years. "As someone in the movement you have a responsibility not to rip people off," said one familiar with the PACs. He noted that not only were donors being misled, but the PAC was competing with other arms control groups for each dollar. The PAC, he said, "should have been put down."

## PAC-pockets galore

Markey argues that while the PACs haven't "been as effective as we would have liked them to have been" in the area of campaign contributions, "they still made a very valuable contribution" by giving the freeze movement energy, coherence and organization, and by sharing the mailing lists with other candidates. In addition, he says that by sending out solicitations the PAC was "communicating with millions of Americans about the movement" and "help[ing] interface the grass roots with Congress." One problem: that's not what they told Eula McNabb her money was going for. She wanted them to spend her money on candidates, not on more "communications" to her. Misleading mail recipients is not illegal; some even say it's common. In fact, Markey's final argument in defense of the small portion of receipts his PACs gave to candidates is that they were just doing what most PACs do, but toward a more admirable end. When shown copies of the letters claiming that donations would be earmarked for candidates, Markey, after a full minute pause, said, "In the universe of direct mail solicitations we conduct our direct mail in the same fashion as the right wing groups do."

To an uncomfortable extent Markey is right. Rep. Robert Dornan, for instance, is president of the American Space Frontiers PAC, which raises and distributes money to promote the Strategic Defense Initiative. Although it has given out $57,000 to candidates, more money in the past two elections than both of Markey's PACs together did in the last three, that still amounts to only 8½ percent of what it has taken in. Dornan too has used the mailing lists of the PAC for his own campaign, raising as much as $40,000 from the PAC list in his last House election race.

There are, however, a few PACs that have proven that even within today's corrupting campaign finance system there are more honest and effective ways of leaving a mark. The Council for a Liveable World and its affiliated PAC, Peace PAC, for example, raise money around many of the same issues as the U.S. Committee Against Nuclear War. In 1984, Peace PAC raised $374,000 and gave out $101,000, even though its house list is half the size of the Markey PAC. It does its own direct mail, which it pays for through other mailings, low-cost fundraisers, and contributions from larger donors. Most of their direct mail letters ask donors to make out their checks not to the PAC but directly to the candidates. The PAC then bundles them together as one contribution and forwards them to the needy campaigns, usually as $5,000 contributions.

PACs might be encouraged to be more forthcoming if they were required to file their direct mail solicitations with the Federal Elections Commission. The prospect of an opposition candidate waving a letter in the air, decrying the fraud perpetrated on the people and the cause, might make members more careful about the claims they make. Larry Sabato, of the University of Virginia, also proposes that the federal government require of PACs what some state governments do of charities: that the organization be required to list on solicitation letters how much of its budget goes to administrative costs.

Rep. Andy Ireland, a conservative Democrat turned Republican, was able to see what liberal populist Ed Markey could not. After running his America's Small Business PAC for two years and seeing that most of the money was going to pay a direct mail firm, he disbanded the PAC. "There comes a point when you have to decide what your're in business for," says a spokesman for Ireland, Ed Morabito. "If you're there just to raise money, but not for your original goal, then you should be out of business." ■



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by Jack Hitt

# THE BEST GOVERNOR IN AMERICA— and you've never heard of him

Photo: Maxie Roberts

The needy have found some unusual sanctuaries recently—USA for Africa, Hands Across America—but none more peculiar than South Carolina, one of the most politically conservative states in the country: the state that fired the first shot in the Civil War, the state where a judge recently sentenced a rapist to castration, the state that historian C. Vann Woodward called the "historic firebrand of violent extremism," the state whose chief justice is nicknamed "Bubba."

In South Carolina, social issues such as education and health care have found an unlikely welcoming committee of business executives, community leaders, chambers of commerce, and even the state's conservative voters. In 1984, this coalition convinced the state legislature to raise taxes to fund a $213 million overhaul of its backward public school system. In 1985, a similar coalition pressured the legislature to allow an additional 42,000 of the state's poor onto the welfare rolls and to create a $15 million program to pay for the health care of those who can't afford insurance but make too much money to qualify for Medicaid.

Ask anyone around South Carolina who's really responsible for the change, and they'll tell you it's the Democratic governor, Dick Riley. Plagued in his twenties by a degenerative bone disease, Riley, now 53, was left with a fused spine that keeps him forever leaning forward as if he were about to fall. Although he is said to play a wicked hand of poker, he is a straight arrow out of a Frank Capra movie. In his nasal voice, he affectionately calls everyone he meets "Bud."

A lawyer from Greenville, the governor is no cunning hick. Nor is he Huey Long. At a time when many governors resemble Phil Donahue, Riley is refreshingly dull. His speeches are filled with facts, goals, and timetables and topped with a little poetry, such as the last couplet from Robert Frost's "The Road Less Traveled." He is Pat Caddell's worst nightmare.

His talents, both friends and enemies agree, are his unusual honesty and his tenacity; he is open but tough. Riley is not an arm twister. He tweaks people's consciences. He talks principle. And when he wants an issue to go his way badly enough, he gleefully wades into the swamp at which so many politicians balk: the voters.

## As slick as cornbread

In 1984, the issue Riley badly wanted to have go his way was education reform. A year earlier, the legislature had voted down a reform package. So Riley reconsidered his approach and came up with a textbook strategy for how to pass progressive legislation in conservative times.

Armed with polls showing that South Carolinians were willing to pay higher taxes for education reform, Riley went to the state's top

*Jack Hitt is a New York writer.*



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businessmen for support. He appealed to their pocketbooks: unskilled, often illiterate laborers are bad for commerce, the governor told them, and they scare away new business. After he found nearly three dozen business leaders who agreed with him, Riley put them on a commission. He asked them to come up with ideas, while a counterpart "technical" commission—mostly educators—worked out details. Some of those details required horse trading. For example, Riley wanted a merit pay system for teachers. The idea's natural enemies were the state teachers unions, the South Carolina Education Association (SCEA), and the Palmetto State Teachers Association. To gain their support, Riley knew he would have to offer salary increases, but they were opposed by the business community. Riley hammered out a compromise. In exchange for union support of merit pay, Riley got the business community to endorse a 16 percent pay raise that would bring the traditionally low South Carolina teachers' salaries in line with the regional average.

By the fall of 1983, the Education Improvement Act (EIA) was on paper but headed for the House, where anything associated with a tax increase faced immediate defeat. Even with the business community on Riley's side, only 13 of the 124 House members supported him. So Riley took his case to the voters, mounting an election campaign with EIA as the sole candidate. His staff mailed out thousands of copies of the plan and sent do-it-yourself letters-to-the-editor kits to the voters. The staff also set up a toll-free number so citizens could call in their complaints and ideas, and phone banks so constituents could harass their representatives and senators. Supporters contributed $100,000 to pay for EIA ads; soon televisions in homes across the state were filled with images of pregnant mothers, blue-collar workers, and pin-striped executives confessing they feared for their children unless the state improved the education system.

In one three-week stretch that fall, Riley, the father of four, pushed his reform package in more than 100 speeches. At seven rallies in high school auditoriums around the state, Riley told 13,000 South Carolinians the ugly numbers: one-third of South Carolina's students couldn't pass the state's basic skills test; South Carolina ranked 49th out of the 50 states in spending per pupil; most South Carolina prisoners and unemployed were illiterate. "When you're dead and gone, what do you want to leave your children?" Riley asked at the end of one of his speeches, stirring the crowd with his home-baked cornbread rhetoric. "I say to you, as far as Dick Riley is concerned, I'd rather leave my children and their children the possibility of a quality education than the biggest house in South Carolina."

Riley's political maneuverings were as sophisticated as his rhetoric was homey. He persuaded the General Assembly to consider EIA section by section, instead of trying to swallow the entire $213 million plan at once. He got legislators to agree to separate the debate on the substance of the plan from that on its funding. If the plan were approved first, Riley figured, it would be easier to convince the legislators to raise taxes. "There was a big battle on the floor of the House," says Dwight Drake, a former legislative aide to Riley. "But we had the telephone and letter operation. The people would call their legislators and give them hell. One by one we picked them off. . . . By the end, some legislators were promising to vote yes if only we'd stop the phone calls."

The General Assembly then approved a 25 percent sales tax increase to cover, among other things, $60 million in teacher pay raises, a $58 million building program, and a $60 million remedial system aimed at steering potential dropouts toward graduation. Three merit-pay plans are now being tested in nine of the state's 92 school districts. The "campus model" plan measures overall school progress—grades, graduation rates, reading scores—and awards all teachers if there is improvement. The "bonus model" rewards individual teachers with a $3,000 bonus, based on a personal evaluation that looks at teaching skills and the extent to which the teacher has taken on additional responsibilities, such as revising curriculum and helping beginning teachers. They also set up a "career ladder" model that is similar to the "bonus model" except that deserving teachers can receive from $1,000 to $3,000 in bonuses. A statewide advisory committee of teachers, administrators, parents, and businessmen is working to fine-tune the plans and implement one or more of them in 25 school districts, affecting one-third of the state's teachers. All teachers in South Carolina will be included in a merit pay plan by 1988.

The EIA package also gave cash bonuses to schools deemed most improved and set up a probation system for substandard schools. If they don't improve, the governor can intervene, with full powers to fire personnel.

In the two years since EIA has passed, state officials have been fielding about a dozen phone calls each month from educators around the country asking for advice. A RAND Corporation study pronounced EIA "the most comprehensive



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**Dick Riley's message is one that Democrats anywhere could promote: education and health are not like the other boxes on the budget score card. If neglected, society pays for it over and over.**

single piece of legislation" improving education to come out of any state.

## General Sherman's canons

The progressive reforms Riley has pushed through can be traced to his New Deal roots. He comes from a family of politicians sympathetic to the New Deal and tied to the Roosevelt administration. South Carolinian Jimmy Byrne, Roosevelt's close aide and one-time secretary of state, appointed Riley's father assistant U.S. attorney.

At the same time, however, the governor is a fiscal conservative, not only because he works for a tight-fisted state but because that's his per sonal practice. Riley sold the governor's stretch limousine and bought a Pontiac. He writes a $1,000 check to the state each year to cover personal calls made on state telephones. He saves money on the mansion staff by using 13 prison inmates to work on the grounds and clean.

Before 1980, governors did not really control the 147 agencies on which most executive responsibilities rested. Members of the agency boards are usually appointed by the governor to staggered terms, so it invariably took a governor's entire term to get a team in place. In 1980, Riley convinced both the voters and the General Assembly to amend South Carolina's constitution to allow the governor to be reelected for a second term. Riley won and was thus in a position to move the agencies toward his policy objectives. Moreover, he created umbrella committees, such as the Children's Coordinating Council and the Coordinating Council for Economic Development, to bring together directors of related agencies to synchronize their efforts.

Throughout most of South Carolina's history, political power coalesced in the hands of a few titans in the General Assembly. Legislative giants like Marion Gressette, Edgar Brown, and Sol Blatt ran the state with an obstinacy exceeded only by their longevity. When Blatt died in May, he had the distinction of having served longer than any legislator in American history. Blatt first ran for office when Herbert Hoover was president, and he served for 53 years, 33 of them as House speaker.

When Ernest Hollings was governor in the 1950s, he wanted a state network of technical schools to train laborers as an enticement to industry. Hollings went to Edgar Brown's house one night with a fifth of bourbon under his arm. When he left, the story goes, the bottle was empty and South Carolina had a new system of technical schools.

A former legislator who fought to reform the moss-backed power structure, Riley is now the most influential governor in the history of South Carolina. He is more than simply tenacious. Like many South Carolinians, who take pride in the fact that the blue granite walls of the State House still bear the marks left by General Sherman's cannons 120 years ago, he is a rare mixture of stubbornness and kind-heartedness. During one tough House fight, his staff had proof of the opposition's drinking and womanizing. The staff wanted to go public; Riley nixed the idea. "It's just not his style," says Bill Prince, a former aide. Another aide admits, "I once suggested the ancient and honorable political tradition of saying one thing and doing another, and he looked at me as if I were from Mars."

Riley stays judgment on the least self-restrained of his fellow politicians, quite a feat in South Carolina. One roguish senator, notorious for hiring secretaries with one talent, complained, "God dammit, Dick, I'm getting blamed for fucking everybody." "Oh," said Riley, "I'm sure there's some you're not getting blamed for."

"Riley is not the kind of guy who enjoys that kind of banter," said Drake, "but he can get along with them without seeming like a prude or a wimp."

One aide ascribes Riley's equanimity to his "Boy Scout, tenth-grade, civics-class view of government. He passionately believes government can do good. He is patient, doesn't hear the word no, and when you screw him over in the assembly, he comes back and does you a favor." Riley's ap-



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proach has served him well. He is the most popular politician in the state. Polls show he could defeat either incumbent senator, Thurmond or Hollings. When the National Governors Association polled itself recently on who was the most effective governor, Riley came in third. Mario Cuomo came in twelfth.

Riley's friends and acquaintances trace his Zen patience and his mulishness to his bout with a back disease. One day in 1955, aboard ship in the Navy, Riley sneezed so hard he was thrown to the floor. His back rippled in spasms. The doctors diagnosed it as spondylitis, a degenerative disease that can be treated only by letting it run its course.

Victims of spondylitis suffer intense pain as boney spurs slowly grow out of the vertebrae and fuse. Fever, clammy skin, and bouts of vomiting occur daily. The back discomfort can be relieved by bending over, so some victims allow their spines simply to curl, crushing internal organs, sometimes fatally. Riley refused all medication, including aspirin, watched his weight drop below 100 pounds, and pushed back against his spine despite the pain. Eventually the disease ran its course—15 years later.

"When you lose some physical attribute you substitute another for it," says Alex Sanders, chief judge of the state appeals court and one of Riley's oldest friends. "The backbone that the force of nature took away, he found in his head."

## Building on what's right

Riley's critics say his success at pushing through the education reform package is the result of his success at passing out the pork. As they see it, he wins over the opposition with a wink and some money. They say Riley bought off the retail merchants' opposition to a sales tax increase by promising to support the abolition of the inventory tax. And, they say, he bought off the auto dealers' opposition by putting a $300 cap on the sales tax on cars. "It's nothing but good ol' boy politics," says Alex Macauley, a Republican state senator. "It's the oldest trick in the book. Any redneck politician knows about that."

Riley claims he always supported the merchants on the inventory tax and says he fought the auto sales tax cap until the end, when, he admits, he conveniently caved in. "All my supporters know I opposed that," he says. "but the [General Assembly] was convinced it was important and I went along with it."

Dick Riley's stubbornness is not consistent. He has refused the leadership role on some tough issues like the death penalty, school prayer, and gun control. Earlier this year, Joseph Carl Shaw, convicted in a gruesome multiple-murder case, was scheduled to die in the electric chair. While Riley is personally opposed to the death penalty, he refused to stay Shaw's execution. South Carolinians may accept his progressive vision in areas like education reform, but they remain extremely conservative on law-and-order issues. Asked about his lack of leadership in these areas, Riley was uncharacteristically vague: "Leaders can either bring out good instincts in people and make progress or bring out bad instincts and regress."

Despite its reputation for conservative extremism, South Carolina has a tradition of pragmatism. The state's religious, law-abiding, no-frills reputation is the base for both its reactionaries and its pragmatists. This dichotomy thrives today in Congress in the come-hell-or-high-water statesman Strom Thurmond and the pragmatic compromiser Ernest Hollings. And the voters who clamor for the death penalty might, with a little prodding, also support education for children and health care for the poor. To South Carolinians, it's all a question of "what's right."

Riley used his understanding of this tradition to push through generous health care legislation in 1985. The statistics on health care in the state were as grim as those on education: a family of four making more than $2,748 a year—one-fourth the poverty level—was not eligible for Aid to Families with Dependent Children (AFDC) and, therefore, not eligible for Medicaid. Newspapers had published horror stories of poor, uninsured patients who were shunted from hospital to hospital, some dying on the circuit. Riley argued that not just the patient, but everyone was losing—insurance companies were raising their rates and the counties and the hospitals were losing money because of non-paying patients.

Any state can raise or lower AFDC requirements. Riley argued that South Carolina should raise its eligibility level to $4,500—about 50 percent of the poverty level—which would add 42,000 people to the AFDC rolls, all of whom would be eligible for Medicaid. Riley appealed to the pocketbooks of the politicians and the hospitals. Most state constitutions, including South Carolina's, require county governments to provide medical care for the poor; counties across America are, therefore, paying hospitals for uninsured patients. Despite this subsidy, treating the uninsured is not profitable for private hospitals,



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so they dump patients on public hospitals. Riley argued that by granting insurance to 42,000 potential charity patients, those hospitals with large numbers of these cases actually might start making money treating the poor. Riley even turned South Carolina's poverty to its advantage: for every dollar South Carolina—one of the nation's poorest states—spends on Medicaid, the federal government generously pays 73 cents.

Riley convinced county governments that it would be cheaper for them to help pay Medicaid costs than to continue bailing out local hospitals. He told the business community that by reducing the number of nonpaying patients his plan would slow the rise in medical insurance rates.

With another coalition in place, Riley easily won passage of the Medically Indigent Assistance Act, making South Carolina the poorest of the 15 states that have raised the income level for Medicaid eligibility in the past four years. Riley also insisted on state funding for those who do not qualify for Medicaid. Riley convinced both hospitals and counties to each contribute half of a $15 million fund to pay for preventive care for pregnant women and children whose income is between 50 percent and 200 percent of the poverty line, the group that often falls through the crack between Medicaid and private insurance.

## Riley redux

Dick Riley's message is one that democrats anywhere could promote: education and health are not like the other boxes on the budget score card. If neglected, society pays for that neglect over and over. If the message Riley is trying to get across succeeds in South Carolina, it certainly has a chance elsewhere.

There is only one month left in Riley's term, and the campaign for Riley's replacement is in full swing. As if to confirm Riley's success, no Democrat or Republican dares question his programs. The candidates argue only about how to fine tune what's in place. Riley has been offered teaching jobs, and, of course, law firms call. He says he would be happy to return to the plow, but he won't rule out anything, including possible federal posts. Yet it is clear that his true love is the governorship. "I thoroughly love this position," he says. "If I never get into another public office, it's not going to bother me." So, maybe his 1980 amendment to the state constitution allows him to run again in four years?

"Well," he says, "we've already checked that out."

It does. ■

# *WHO'S WHO in the Administration*

Occasionally a news story will omit the key fact that would explain the events described. A recent example comes from an April 10 *Washington Post* article about the bank lobby and the tax bill. The story made these three points:

1. "The banks retained such well-connected lobbyists as former attorney general **Elliot L. Richardson**."
2. "Throughout the debate, the bankers enjoyed high-level access to administration officials."
3. "Deputy Treasury Secretary **Richard G. Darman** told reporters that Treasury had grown concerned that lawmakers were imposing too many taxes on banks."

The fourth fact, not mentioned in the *Post* but useful in tying the others together, is that Darman owes his rise to prominence in government to Richardson, who, during the seventies, appointed Darman to high posts at HEW, Defense, Justice, and Commerce....

"The closets of Washington," writes **Robert Bauman**, the former Republican congressman and a homosexual, "are filled with gay Republicans and gay conservatives. Many of them serve in high administration posts, some in the White House." This confirms our own observation that one of the most intriguing transformations in modern political history has been the switch of gays from left to right....

We continue to think that **Gary Hart** will win the Democratic nomination. Our super-super long shot is **Albert Gore**, the new senator from Tennessee, who has rapidly earned high regard from the most knowledgeable political handicappers....

An insight into the way Washington works was recently provided by **Carlos C. Campbell**, the former deputy head of the Economic Development Administration: "The unwritten rule is that EDA gives the Hill staffers what they want, and the Hill staffers protect their jobs...."

# In

COMMERCE

Assistant Secretary for International Economic Policy—**Louis F. Laun** has been acting deputy assistant secretary for U.S. and foreign commercial services.

DEFENSE

Undersecretary for Aquisition—**Richard P. Godwin** has been vice-chairman of Bechtel National, Inc.

HEALTH AND HUMAN SERVICES

Assistant Secretary for Housing and Federal Housing Commissioner, Housing and Urban Development—**Thomas T. Demery** has been president of Income Property Services Inc., a Michigan real estate firm.

AGENCIES

Postmaster General, United States Postal Service—**Preston Robert Tisch** has been president and chief operating officer of New York's Loews Corporation.



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# MEMO OF THE MONTH

U.S. Department of Housing and Urban Development
San Francisco Regional Office, Region IX
450 Golden Gate Avenue
San Francisco, California 94102-3448

April 16, 1986

MEMORANDUM FOR: SEE ADDRESSEES BELOW

FROM: Jack Kleis, Director, Administrative Services Division, 9AS

SUBJECT: Use of overtime air

Headquarters has approved our request for overtime use of air only, for the following periods:

3rd Quarter, FY 1986, Saturdays, 8:30 am to 5:00 pm

| | |
|---|---|
| April 12, 19, 26 | 24 hours |
| May 3, 10, 17, 31 | 32 hours |
| June 7, 14, 21, 28 | 32 hours |

4th Quarter, FY 1986, Saturdays, 8:30 am to 5:00 pm

| | |
|---|---|
| July 12, 19, 26 | 24 hours |
| August 2, 9, 16, 23, 30 | 40 hours |
| September 6, 13, 20, 27 | 32 hours |

The dates shown above are only tentative and the overtime air will be used on an "as needed" basis only. Weather conditions will be carefully monitored by this office.

The overtime air will not be automatically requested from GSA. You must contact Debbie Nakamoto, 6-6484, at least 2 working days prior to the day you require overtime air. Although we have requested funding for Saturdays, it is possible to change it to Sundays, if necessary. Also, the number of staff working on Saturdays/Sundays should be at least 20 people.

If you have any questions, please call Debbie.



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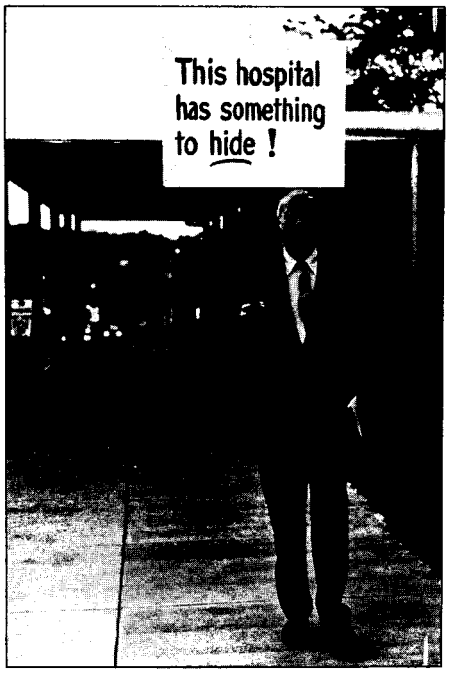


# DOUBLE INDIGNITY

## You can't see your medical records—but everyone else can

by Esther Schrader

Ed Mulligan set up his picket in front of Community-General Hospital in Syracuse, New York, in August 1976. Community-General had seen pickets before, but this one was different. Mulligan wasn't demanding higher wages or making a political statement. He wanted the hospital to give him something it had denied him for more than three years: a copy of his medical records.

After four years of illness and two operations, the 71-year-old cancer victim had requested a copy of his records from Community-General. When the hospital denied him access to all but the results of a few tests, Mulligan filed a $440,000 lawsuit. Since New York does not require hospitals to release medical records to patients, his case was thrown out of court. So Mulligan took matters into his own hands. Carrying a sign that read, "This Hospital has Something to Hide," Mulligan picketed Community-General for several weeks. He succeeded in getting the hospital's attention, but only enough to cause it to sue him for creating a nuisance. Only after the local media did stories on Mulligan's picket did the hospital allow him to see a laundered version of his records, a pyrrhic victory which, after three years of time, money, and frustration, was all Mulligan could hope for.

Mulligan's persistence is unusual, but his problem is not. In dozens of states, patients are denied the critical, personal details in their medical records. Yet insurance companies, law-enforcement officials, medical professionals, intelligence agencies, and others have easy access to these records—usually without the patients' knowledge. As a result of this injustice, some people have been denied jobs, demoted, or given inadequate medical care. Worse, these actions have been taken on the basis of medical records that—without any input from the patient—are often misleading and sometimes inaccurate.

Nevertheless, the debate over access to medical records has received little media attention. Moreover, legislative proposals to give patients access to their records have lost in all but 14 states. Much of the opposition has come from doctors who have spent a lot of time and money to keep their patients in the dark.

*Esther Schrader is a New York writer.*



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# For three years the doctors who refused to treat Anne Stern didn't tell her it was because her medical records mistakenly listed her as schizophrenic.

## Insane system

Pamela Abbott was 20 years old when she entered Bennett Hospital in Plantation, Florida, to have a benign tumor removed from her bronchial tube. The operation required two surgeons and an anesthesiologist to remove the growth and keep oxygen flowing to her lungs. At some point during the operation Abbott went into cardiac arrest. By the time the medical team could react, her brain was permanently damaged. "The best we could determine," says David Kahn, the lawyer who represented the family in its malpractice suit, "is that for some reason the tube that was put down her throat to her lungs was blowing oxygen not into her lungs, but into the operating room."

None of this, however, is reflected in the record of the operation. While it is noted that the patient was in trouble, there is no explanation for why Abbott's heart stopped. A section of the report titled "Remarks" also says nothing, and Abbott's post-operative status is noted, amazingly, as "satisfactory." Eleven days after the operation, she died.

Abbott's parents requested her medical records. The hospital refused their request, the family sued, and after two years of litigation the Abbotts accepted a $450,000 settlement from the surgeons involved. But they never got a look at their daughter's complete medical records. When the hospital released the records after Kahn obtained a subpoena for them, 90 percent of Pamela Abbott's X-rays, and all of her brain wave reports were missing.

The Abbotts were lucky to get that much. Florida is one of 36 states where physicians are obligated to supply a patient's medical records only to another treating physician. Though the vast majority of doctors probably keep accurate records, many patients suffer hardship needlessly because of errors they could easily correct if they had access to their files.

That's what happened to Anne Stern who, in 1974, underwent a lung-cancer operation at the prestigious New York University Medical Center. The operation was successful, but in the diagnosis section of her discharge summary, along with "adenocarcinoma of the right lower lobe," and "basal cell cancer skin of face," a resident, reading from another doctor's notes, added "paranoid schizophrenic." For three years Stern could not find a doctor. None was willing to provide even the most basic treatment to a woman whose medical records indicated she was crazy.

But Stern was perfectly sane. She learned of the misdiagnosis only after her frustrated search for a doctor led her to ask for a copy of her medical records. After being denied access, Stern turned to the New York Public Interest Research Group, which, threatening legal action, succeeded in getting Stern her records. When she saw her diagnosis, Stern went to three psychiatrists, each of whom found her sane. She showed the reports to the hospital, which wrote her a letter of apology. "The resident...who filled out the records at that time," wrote Arthur Boyd, the doctor at the University Medical Center who had been responsible for Stern's records, "apparently misinterpreted these notes and put down that diagnosis." As upset as she remains over the misdiagnosis, Stern is equally angry that for three years neither the hospital nor the doctors who refused to treat her told her she had been diagnosed as mentally ill. There is no more compelling argument for patient access than this: What if she had been paranoid schizophrenic? Not treating Stern was bad enough, but the doctors who knew of her diagnosis yet did nothing didn't seem to care whether she got any treatment at all. They offered no referrals, no suggestions, nothing. They didn't even tell her family. "They shied away from me like poison and I didn't understand why," she says. "A thing like this certainly should have been communicated to my family, if not to me."



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While such extreme cases are rare, patients with less serious problems also suffer because they can't see their medical records. When an attorney in Albany, New York was diagnosed in 1980 as having a rare form of rheumatoid arthritis, she made an appointment with an expensive specialist in Boston. To assure that her records would arrive in time for her appointment, she asked her family doctor and the Albany Medical Center Hospital whether she could bring copies of them with her. Though her doctor gave her copies of those records he had on file, the hospital told her its files would be made available only upon written request from the Boston physician. As she feared, her records didn't come in time for her appointment. "It was terribly frustrating," she says. "You're already sick and you're already anxious. It made me feel awfully suspicious and distrustful. I didn't understand why they wanted to hide them from me."

## The larger question

As patients fight their way through legal barriers and reluctant physicians in search of information about themselves, the doors to medical records rooms are thrown open to numerous third parties. Lawyers can obtain subpoenas for medical records, police can simply walk into local hospitals and demand them, and insurance companies can withhold payment for their clients' medical treatment until they've read them.

Such easy access has led to abuse. In testimony before the Senate Committee on Governmental Affairs in 1979, John Shattuck, then director of the Washington office of the American Civil Liberties Union, told of a woman who, despite having graduated Phi Beta Kappa from college and having scored in the top 1 percent on the National Medical College Admission Test, was turned down by 13 medical schools because her medical records indicated she had once been a voluntary patient in a psychiatric institution. Shattuck also testified that in 1976, a man was denied a license to drive a taxi in New York City because the cab company read in his medical records that he had been placed in a mental institution for six months. No matter that at the time he was a 13-year-old orphan and that the mental hospital was the only place authorities could find for him for that short period.

Employees have also been victimized by their bosses on the basis of incorrect medical records. In 1983, two years after he was hired as a customer-service representative for a computer manufacturer, a New York man found himself demoted to a dead-end job loading paper into printers. His misfortune, although he did not know it at the time, was the result of incorrect diagnoses made by a company doctor that he was a "possible manic depressive," and "possible schizophrenic."

He might still be working at a job he calls "one step off the assembly line" if he hadn't been lucky. While undergoing a compulsory hearing and vision examination six months after he'd been demoted, he saw his medical records sitting on the desk next to him. Over the protestations of a nurse, he scanned them and found the mistaken diagnoses. "After I saw what was in them, I talked directly to a company doctor about getting copies of my records because they were obviously wrong," he says. "I was flat out refused."

Denied his records and discouraged in his career, he took a leave of absence and completed substantial work toward a master's degree in computer science. When the company refused to promote him despite his additional expertise, he took his case to the New York State Division of Human Rights. Three years after requesting his medical records, he still hasn't seen more than his diagnosis sheet. But since threatening legal action he has been promoted to a computer programming position and the company has apologized for the mistaken diagnosis.

The information insurance companies use to decide whether to accept your policies and claims may be inaccurate, but right or wrong the patient isn't allowed to see it.



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To get some idea of how accessible your medical records are to others, consider the Medical Information Bureau (MIB). A nonprofit service based in Boston, MIB is a huge repository of information gleaned from medical records. Using MIB's computer, the more than 800 life insurance companies belonging to the service share information about their policyholders. While policyholders routinely sign consent forms giving their carrier access to their medical records, few realize that, through MIB, medical information about them is available to insurance companies across the country. There is no guarantee that the records on file with MIB are any more accurate than Anne Stern's, but one thing is certain: right or wrong, the information in MIB's computer is often the basis on which an insurance company decides whether to accept your policies and claims—and right or wrong, the patient isn't allowed to see it.

The access to individuals' medical records provided by MIB begs a larger question posed by all abuses of medical records: is third party access to such private records a violation of individual civil rights? "It's sort of the last, best privacy issue," says Robert Belair, a partner at the Washington law firm of Kirkpatrick and Lockhart, who twice worked on federal legislation to regulate access to medical records. "After all, if your medical records aren't private, what is?"

## Misplaced mystique

On the surface, the answer to the medical records mess seems simple: give patients access to their records and restrict access to third parties. But for more than 12 years, legislators, patients' rights groups, and medical professionals have failed in repeated attempts to do just that. At both the state and federal levels, legislation to restrict third party access has met strong opposition from doctors. In those 14 states where bills have passed guaranteeing patient access, there have always been fights. In New York State, a patient access bill was passed into law last July after a four-year battle. The bill, which doesn't address the question of third party access, represents a compromise between patients' rights advocates and the New York State Medical Society, which assured itself of a strong voice in the debate over the bill by directing its political action committee to spend $226,975 on legislators last year—more than all but one PAC in the state. Most of this money was spent on members of the legislature's health and insurance committees, where records access bills have languished again and again.

Since they were first proposed by the New York State Department of Health in 1982, patient-access bills were repeatedly blocked in the Republican-controlled Senate, where the powerful medical society organized letter-writing campaigns, phone calls, and meetings with key legislators. The bill that finally did pass allows physicians to decide which patients may see their records. Legislation to give patients in California access to their medical records was proposed three times before it finally passed the legislature in 1982, over the intense opposition of the California Medical Association. Like other advocates of patient access, Howard Berman, the former majority leader of the California State Assembly who introduced the bill, encountered opposition primarily from doctors worried about malpractice suits—a fear that is likely to increase in the years ahead. "Young doctors coming out of medical school are scared" of such cases, says Dr. Robert Pulle, a general practitioner in West Chester, Pennsylvania. Other physicians sensitive to malpractice are, he says, "becoming very paranoid about giving patients their records." Some argue the malpractice paranoia is overstated. "The litigious climate that prevails between doctors and patients is prominent despite [restricted] access to records," says Arthur Caplan, associate director of the Hastings Center, a New York organization that studies ethical problems in health care. He argues that if doctors became more open with patients, an informed relationship would emerge that would lead to fewer malpractice claims. But even if it didn't, the only time open records would lead to a successful malpractice suit would be when there's something in the record that indicates negligence. And that's as it should be. Arresting the growth of malpractice claims by suppressing the evidence is ridiculous.

Doctors also frequently proffer the argument that medical records are the property of the physician, created for his use and not for the eyes of the patient. "We feel that it is a record that is made by the doctor for his purposes and is not the property or inalienable right of the patient," says Dr. Donald T. Lewers, president of the Maryland physicians association. But over the past 20 years, as patients have begun to contest this notion, most courts have ruled that while the doctor owns the record itself, the patient has an interest in, and a right to, the information in those records.

The courts are right. After all, the records at



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issue are composed of information about the patient, provided by the patient, to a physician who is being paid by the patient or his representative. The patient's right to see his medical record is just common sense.

Of course, the whole idea of denying any patient knowledge of his illness is dubious, yet doctors also claim that if patients see their records it will increase their anxiety and make them less likely to comply with their physicians orders.

Certainly there may be cases where telling a patient details of his illness would be more dangerous than not telling him. That is why every patient access law that has been proposed or enacted leaves ample room for appeal. The question is not whether some of the patients could be hurt some of the time by seeing their records, but whether we're willing to let doctors have power over decisions in which they have potentially adversarial interests.

But all this concern is probably academic. Physicians' concerns have proved spurious in one rather large test case—the federal government hospitals. The Privacy Act of 1974 gave patients access to records at federally-run hospitals. Administrators at these hospitals have found few of the problems predicted by doctors—even in the area of psychiatric care. "The patient knows what's going on and knows why he's being treated as he is," says Dr. Harold Thomas, a spokesman for St. Elizabeth's, a federally-operated mental health facility in Washington. "They understand better how they can progress to the next step."

Patient access has also been tested in the private sector. A study at the Given Health Care Center at the University of Vermont, in which 100 patients were given copies of their own records, found that 84 percent were more careful about taking medicine prescribed for them, and 97 percent worried less about their health care.

There is one aspect of the medical records issue on which doctors and hospitals are most intractable, and which careful legislative craftmanship of patient access laws may begin to change. The mystique of the physician as healer has bred an unequal relationship between doctor and patient in which the patient is asked to blindly trust while the doctor magically heals. The paternalistic role physicians have carved out in our society leaves little room for a curious, well-informed patient to participate in his own care. Older doctors are particularly guarded. "It's usually the most senior physicians who just don't buy the idea of showing patients their records," says Bob Leamer, counsel to the New York Assembly Health Committee.

Bills giving patients access to some control over their medical records are before many state legislatures. Given the history of previous bills, however, reform efforts may drag on for years. In the meantime, people like Ed Mulligan have no choice but to wear out their shoes, and their patience, fighting the medical community just to see information about their own bodies. ■

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# TIDBITS AND OUTRAGES

### *I'M TRAINED TO REPEAT WHATEVER I'M TOLD*

A recent ad in *Case and Comment* read: "Pet Bird Veterinary Malpractice & Product Liability. Expert witness, phone consultations, literature research. Bird specialty practices and diagnostic laboratory. Alan M. Fudge, DVM, Avian Veterinary Consultants."

◆

### *THAT'S OK, MOM, I TURNED HIM INTO A TOAD*

Laurie Cabot, head of the Witches League of Public Awareness, recently told *The New York Times* that she objects to the filming of John Updike's novel *The Witches of Eastwick*. "We don't want the idea that we worship Satan to go out over home video, television, and movies. How can our children go to school and say I'm a witch without facing ridicule?"

◆

### *HE DIDN'T HAVE TO PICK THREE TO WIN*

The deputy director of the Washington, D.C. Lottery Board, Willis E. Johnson, makes $49,419 a year. According to a D.C. audit report, the deputy director "by his own admission (has) had no duties or responsibilities" since February 1985.

### *AND BY UNANIMOUS CONSENT THEY DEBATED THE MEASURE IN LATIN*

The March 18 *Congressional Record* included a description of a recent vote on budget reconciliation. "By a yea-and-nay vote of 331 yeas to 76 nays, Roll No. 57, the House disagreed to the Senate amendment to the House amendment to the Senate amendment to the House amendment to the Senate amendment to the House amendment to the Senate amendment to H.R. 3128, to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32, Ninety-ninth Congress) returning the measure to the Senate."

◆

### *WRITTEN MATERIALS INCLUDE BOB'S TAX TIPS AND TOUT SHEET*

An "advanced seminar on the business and legal issues in the equine industry" was held in September by the National Practice Institute. Participants were promised "extensive course materials prepared especially for this seminar," in which "taxation issues alone are covered in 200 pages." The event's tax-deductable $225 "tuition" also provided free admission to the races.

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# PROTECTIONISM AMERICAN STYLE

by Thomas J. Peters

Paul Krugman of MIT, a former staff economist for President Reagan's Council of Economic Advisors, recently commented in *The New York Times*, "Last year, U.S. sugar prices got so far out of line with world prices that it would have been cheaper to extract sugar from Canadian pancake mix and Israeli frozen pizza than to produce it from domestic sugar cane." Our sugar subsidy runs about $780 million per year. So much for America as a bastion of free trade.

We dump beef on Brazil and wheat on the Soviets. We pay a premium of perhaps $400 per car thanks to "voluntary" quotas foisted on the Japanese five years ago. Recent reports from auto industry analyst J.D. Power & Associates decisively demonstrate that the quality of most American cars has not improved during this so-called "breathing space."

Textiles have been generously protected for two decades. Yes, the Chinese, with their low wages, are selling more textiles in the market today—$1.1 billion worth last year—but the larger and harsher reality is that the textile makers, too, have frittered away the relief granted.

And steel? Why even bother to discuss it? My short list of best-managed American firms does include steel companies: Worthington Industries of Columbus, Ohio; Nucor Corporation of Charlotte, North Carolina; and Chaparrel of Dallas, Texas. But they are the exceptions. U.S. Steel—now USX—used its protection-gained dollars to get out of the steel business.

We are not free traders, neither in agriculture nor in machine tools. We never have been. The political rhetoric says we are suckers, the only ones who play it straight. Baloney. When it comes to subsidies—from grain subsidies to SDI-financed software to our lingering and lonely rejection of the metric system—our deck is as stacked as the next guy's. Moreover, we continue to live in an isolationist fog, still caught in the idea of a limitless internal market. Our skills as exporters are highly questionable.

Sorting out all the facts is not easy. But if you can stomach it, there is a superb primer—Stephen Schlossstein's *Trade War*.* Schlossstein's assessment is not balanced. He tells the *other* side of the story: how the oft-cited "unlevel playing field" tilts as much in our direction as in the other fellow's; how *we* have caused most of our woes.

Schlossstein, who lived in Japan for six years as a vice president of The Morgan Bank and now runs a financial consulting firm in Princeton, New Jersey, pulls no punches: "Why have our exports lagged so badly in comparison with other countries? Our politicians would have us believe it's not our fault. It's the Japanese who keep our products out of their markets by cunning Oriental devices known as non-tariff barriers, infant-industry protection, and product-certification standards. . .but the answer is not that simple. It's not only because we are not export minded, but because our productivity growth has been the most languid of any industrial country in the post-war era, our product quality has not kept pace with our competitors, our technological advances have slowed, our currency has behaved like a patient in intensive care. . . .We can scarcely compete any more in our own domestic market, let alone Japan's."

From that cheery beginning, Schlossstein proceeds through an industry-by-industry analysis of our problems. The litany is now familiar, but he provides the facts. He traces Japan's ramble from a 0.2 percent auto market share in 1965 to a 21.3 percent share in 1980, just before quotas, and describes the aftermath of quotas, the inevitable process of "leveling up." When limits are mandated, the sensible restricted party responds by filling the now artificially constrained slots with more expensive items. Thus, Honda, which, as a new kid on the block, drew a short straw from MITI, fills precious spaces once occupied by $6,000 Civics with a new $20,000 car—the Acura Legend, the engineering development of which was paid for by the American car consumers' artificially induced price premium. The skillful ex-

*Thomas J. Peters is co-author of* In Search of Excellence *and* A Passion for Excellence.

**Trade War.* Stephen Schlossstein. *Congden and Weed, $8.95.*



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porter also hunts for areas not covered by the quotas; Japan found mini-vans. This unrestricted "truck" arena soon became a style-conscious, upscale "car" arena. Some 1.4 million mini-vans will be sold in the United States this year, and Japan will capture a 30 percent share of the market—all beyond the quotas.

A saga as revealing as any is the little-known tale of how we lost the bicycle market. The Europeans took this one. Imports soared from one percent of the market in 1949 to 41 percent in 1955. Needless to say, the American Bicycle Manufacturers Association fought back—with vicious lobbying, not better bikes. After President Eisenhower lambasted them, they responded: "A bike is a bike, and they're all sold interchangeably in a single market. There is only one major difference between bikes made in America and those coming in from any foreign source. *That single difference is price* [their emphasis]."

Council on Foreign Relations Economist Percy Bidwell responded: "Common observation throws considerable doubt on the accuracy of this statement. Practically every American boy or girl above the age of ten knows the difference between an English bicycle—a light machine weighing 30 to 35 pounds, with clean lines not obscured by gadgets and accessories—and the balloon-tire models which make up the bulk of the product of the American factories."

Schlossstein concludes: "Of course, bigger is better, we all know that. If the customer isn't buying our product, we'll dress it up. Nobody really wants those sissy foreign bikes with their skinny wheels. The only reason Americans are buying them is because they're cheap. Stick with the fat tires. They're USA all the way. Downsize? Forget it." We see in this vignette, without all the psychological baggage accompanying the Japanese challenge, the main themes of our decline in market after market.

Schlossstein also dissects the numbers lobbyists commonly use to argue for protectionism. We're running a $60 billion negative trade balance with Japan right now. Or are we? The ballyhooed balance is in merchandise trade alone. Our sizable service sector surplus isn't counted. Our royalty income isn't tallied: "The United States accounts for 50 percent of all technological agreements with Japanese companies. . . .Total annual remittances from Japan to the United States are equivalent to some $35 billion in sales to the Japanese market." As a further complication, U.S. subsidiaries do at least $50 billion a year in business in Japan, which likewise doesn't get added in. This doesn't mean we can stop worrying about our declining manufacturing sector. It does mean we should stop letting scary numbers lead us to support stupid policies.

Schlossstein provides a wealth of other disarming statistics. Our overall tariff in the seventies ran 11 percent, versus 10 percent for the Europeans and 9 percent for the Japanese. We have six nonagricultural quotas; Japan has five.

The indirect stumbling blocks to trade are at least as important as the direct ones. The author does a workmanlike job of assessing the many forms of non-tariff barriers: including domestic subsidies (tax cuts, R & D, special depreciation), restrictive customs procedures, restrictive technical standards, export subsidies, anti-dumping regulations, controls over foreign investment, and discriminatory foreign exchange rates. Once again, the clear-cut conclusion is that no one's hands are clean.

Our tax system, pre- or post-Packwood/Rostenkowski, is hardly neutral. Its selective manufacturing and R & D subsidies run about $100 billion per year. Look inside the tax system to figure out who's got an advantage and you go nuts.

And then there is our over-energized, oversized, highly contentious lawyer population, which holds out the threat, on the flimsiest of evidence, of massive suits (for dumping, for instance). No other society so regularly resorts to such effective stalling tactics. At the very least, such actions cast a pall over future business contracts.

Schlossstein next takes on, with particular testiness, the issue of our determination as exporters: "Most Americans don't or can't or won't learn the Japanese language. Japan sends its commercial missionaries all over the world to spread the good word about the superiority of Japanese goods, and they do it in the local language. . . . Plus, Americans simply aren't patient when selling in the Japanese market. . . .Our short-term orientation doesn't help us much when the Japanese are geared to look at market development efforts in terms of decades."

To top it off, the Japanese are uniquely quality-conscious consumers. Schlossstein reports the findings of a U.S.-Japan Trade Study Group: "The Japanese have become the most demanding consumers in the world. . . .And still, Americans sell big cars with wrong side drive, equipment not measured to the metric system, appliances not adapted to lower voltage and frequency requirements, office equipment without kanji capabilities, clothes not cut to fill the smaller Japanese body, hamburger meat that isn't fatty,



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and catsup that doesn't run."

Does Schlossstein overstate? Yes, in some fashion. He tells mostly one side of the story. However, it is the side which has been largely untold; our politicians and Fortune 500 chieftains have browbeaten us with the other half.

The author is as mellow in prescription as he is pointed in analysis. He urges us to gather the facts on our competitive strengths and weaknesses (our data collection is directed at aggregate economic analysis, whereas Japan's focuses on industry-by-industry competitive positions), and then bring the true story, in gruesome detail, to the public's attention.

Schlossstein's jawboning would take place via a relatively innocuous vehicle he calls an Industrial Policy Commission. Though sounding like the recent Young Commission on Industrial Competitiveness, it differs in that it would stick around, becoming, after an initial report, a permanent Industrial Policy Council.

Schlossstein then all too hastily dances through the policies his council might consider: "What tax incentives would be necessary to stimulate production and curb consumption; what priorities should be set for government procurement; what role special depreciation should play, and for what industries. How should our research and development efforts be strengthened and funded; what curriculum changes in the American educational system are necessary, and how should they be funded...?" And so on.

While Schlossstein's book is not flawless, it is, surprisingly, the only recent readable examination of this critical issue. ■

# REAGAN AND THE TINSELTOWN MAFIA

by Sam Donaldson

Dan Moldea* has set himself the formidable task of demonstrating that that nice man in the White House, so straight and honest of image, is actually a creature of and collaborator with the Mob. Ronald Reagan has been called many things but "godfather" is something new.

Moldea traces the rise of MCA—originally named the Music Corporation of America—from its founding as a dance band booking agency in 1924 by the late Jules Stein, to its emergence as the most powerful force in Hollywood history, a company that came to be called the "octopus" because it had its tentacles into every facet of film and later television production. And how was MCA able to grow so great?

First, because it played "footsie" with the mafia, according to Moldea. Every Mob figure of the thirties and forties seems to be mentioned in this book. It is not always clear what these sinister characters had to do with MCA, and Moldea repeatedly swings the yellow brush of "guilt by association." If it weren't the Mob we would all cry foul, there is so much innuendo and so little proof offered. But the Mob did invade Hollywood, and the reader will probably conclude that where there was so much smoke there must certainly have been fire. It's different when it comes to the second reason Moldea gives for the success of MCA: Ronald Reagan and his alleged Mob ties. When it comes to presidents we'd like a little more proof.

In 1940, MCA president Lew Wasserman engineered the first million dollar studio contract in the agency's history for his actor-client Ronald Reagan. Moldea's thesis is that Reagan subsequently used his position as president of the Screen Actor's Guild (SAG) to benefit MCA in return for that and for future payoffs. In particular, Reagan pushed through a permanent waiver for MCA from SAG rules in 1952 so that it could produce shows, as well as represent the talent who worked on them. That gave MCA a tremendously profitable advantage over its competitors. In return, Moldea suggests MCA saved Reagan's career by giving him his premier television host roles on the "G.E. Theater" and "Death Valley Days," and even bailed him out financially by arranging purchase of his ranch at a price far above market value. Moldea records how MCA and Reagan continued scratching each other's back right into the White House (yes, Wasserman supported Jimmy Carter in 1976 but failed to do so in 1980). And all the while, the Mob hovered 'round (remember, the only major

*Sam Donaldson is the ABC News White House correspondent.*

**Dark Victory: Ronald Reagan, MCA and the Mob.* Dan Moldea. *Viking, $18.95.*



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union to support Reagan's presidential bid was the Teamsters).

A fascinating tale but what of proof? After the key move—the granting of the SAG waiver to MCA—Moldea tells us "at the Justice Department, there was deep and open suspicion that there had been some sort of illegal tie-in—or even a payoff—between MCA and Reagan...it is clear that, within months of the deal, Reagan benefited personally, financially, professionally, and politically from his relationship with MCA." Smoke, yes, but nothing like a smoking gun. What is more likely, I think, and Moldea gives us plenty of evidence of this, is that Stein, Wasserman, and the others found in Reagan an easy going fellow who has always put himself in the hands of managers who could be persuaded that he and they had common interests without the need for any under-the-table tactics. Reagan says he favored the waiver because it would help actors find more work. You can just see him nodding his head in sincere concern as Wasserman makes that argument to him. Support for the "Reagan did it from pure motives" theory can be found in secret federal grand jury testimony Reagan gave in 1962 about his association with MCA that Moldea uncovered. It is worth reading as another example of vintage Reaganese. He has lapses of memory, transposes dates, and wanders off into irrelevancies. But to anyone who has followed his public career, that's no criminal mind at work, that's just "our Ronnie" being himself. The classic line comes when the prosecutor asked him what type of contracts he signed with MCA. "Oh, I never read them..." replied Reagan, who is still signing documents in the Oval Office with similar scrutiny.

Despite the flaws, I have a good deal of sympathy for Moldea and this book. It is a serious work, a little heavy in the reading, but worth the effort. It says a lot about Hollywood and the Mob that rings true. As for Moldea's failure to make his charges against Reagan stick, all I can say is "welcome to the club." ■

# PSYCHOANALYZING THE NEWS

by Jonathan Alter

Whenever a conservative critic of the media gets worked up, he's sure to mention the "Lichter-Rothman study." That study shows that reporters are liberal and unreligious. Rothman and the Lichters are obviously conservative, and the research for *The Media Elite* was funded by conservatives like Richard Mellon Scaife, which makes their scientific-sounding scholarship a bit suspect. But the basic thrust of that argument is hard to argue with. Many other studies also reveal that reporters for major publications are to the left of the population as a whole.

This book is an effort to take that conclusion a step further and show how reporters' liberal leanings affect their coverage. It fails badly.

The authors feel obliged to make reference to hundreds of clips and practically every hackneyed bit of press criticism ever uttered. This not only taxes the reader, it betrays their argument. That's because any full-scale review of the collected wisdom on this subject suggests that there are factors far more important than political bias that affect a journalist's work. They include deadline pressures, lazy-mindedness, an obsession with the horse-race, the peccadillos of editors, and other conventions of the journalism business. Faced with such complications, the authors are forced to admit that bias is not the issue—a major admission that deserves to be widely quoted in response to right-wing press critics. Unfortunately, the authors aren't prepared to part with their own biases on this point so easily. Despite all the elaborate qualifications, this is the same old—wink wink—attack on the liberal press. Only this time they focus on vague notions like "cast of mind" and "partial views of social reality." It's all unconscious, you see.

There is, of course, some truth to this. The authors provide a convincing, though hardly original, analysis of a powerful national news media "elite" that has developed in the past 40 years. They explain how the increasing income and social status of elite journalists has taken this elite further away from the experiences of ordinary Americans. "I don't see any reason why we shouldn't consider ourselves on an equal

*Jonathan Alter is the media critic for* Newsweek *and a contributing editor of* The Washington Monthly.

**The Media Elite.* Robert Lichter, Stanley Rothman, Linda S. Lichter. *Adler & Adler, $19.95.*



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footing with those we cover," says Jack Nelson, Washington Bureau chief of the *Los Angeles Times*. That is a dramatic and under-appreciated change from the traditional relationship between reporter and subject.

But because, as the authors admit, "there are few idealogues in major media newsrooms," the task of tracing the effects of the changed social status on actual coverage becomes nearly impossible. The authors conducted elaborate, "Thematic Apperception Tests" (TAT)—silly Rorschach-style tests where reporters were shown pictures (for instance, a man in uniform next to another man) and asked to imagine what was happening to them. After dozens of pages and pointless elaboration, they conclude that journalists are more anti-authoritarian than businessmen shown the same pictures. Might you have guessed that on your own?

The same goes for the rest of the book's conclusions. The "TAT" proves nothing. It is psychobull. To judge by the creative mini-essays accompanying the pictures, most of the journalists were just having fun. Ah, but psychologists say that *everything* a test subject writes is in some way deeply revealing of his true feelings. (Jon, you are angry with the Lichters. Lie down on the couch and we'll talk about why you *really* wrote this nasty review.)

But if psychology fails to unearth a media slant, how about detailed textual analyses of the way major news organizations have covered issues like nuclear power, busing, and the oil crisis? Might that not prove something? Only if you believe that pseudo-scientific tools like "spin indexes," which measure a story's political "spin," can prove honest in the face of the authors' determination to score points against the press. After making it sound vaguely suspicious for the media to be skeptical of authority—the book unfortunately does not explore the scary implications of a world where the media was not skeptical of authority—the authors go on to explain in detail how these major stories were covered in the wrong way. Coverage of nuclear power, they write, was affected by an unconscious liberal mindset that downplayed reports of good news about impressive safety records that the authors make clear should have been a prominent part of the story.

But when it comes to busing, they don't like good news. They complain (albeit in sociospeak) that the coverage tilted toward the beneficial effects of busing and away from the community protests against it. The alleged media "tilt" in favor of busing is itself debatable. But the authors weaken their case further by trying to have it both ways. They use public skepticism about nuclear power as evidence that the media's wrong-headed message got through. But we are supposed to believe that the public disapproved of busing *in spite* of the best efforts of the media to convince readers otherwise.

Whichever way, it doesn't wash. In these cases and many others, the media's bias is always for "bad" news. The plane that lands safely is never on the front page. If antibusing demonstrators had become more violent, they would have received the more extensive coverage the authors yearn for. If Three-Mile Island hadn't happened, there would not have been as much of the antinuclear coverage the authors dislike. That doesn't mean that coverage of nuclear power and busing can't be legitimately picked apart on a dozen different levels, or that the media is not highly susceptible to a collective mind-set. But the inadequacy of the Lichter-Rothman arguments do suggest that press criticism does not work well on a left-right grid. The media's weakness for the "conventional wisdom" is a curse, but not a predictably political one. ■

# THE ENEMY'S WAR

by William E. Colby

The 11 years since Saigon's fall to North Vietnam's forces have allowed our initial rejection of all things Vietnamese (except the refugees) to be replaced by thoughtful searches for the reasons for America's failure there. A younger generation is curious how such a debacle could have occurred, and some of the participants are looking critically at the actions in which they were involved. In particular, Army officers such as General Bruce Palmer and Colonel Harry Summers have analyzed the experience to try to find whether it might have been done differently, or better.

Major Andrew F. Krepinevich Jr. has joined

*William E. Colby is a former director of the Central Intelligence Agency.*



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**In Vietnam, the Army waged the conventional war it wanted to fight rather than meeting the one the enemy actually fought—the people's war.**

this effort* with honesty and diligence. He has focused on the U.S. Army, assessing its ability to meet the challenges posed by our military involvement in Vietnam from 1959 to 1975. To a stunning degree, Krepinevich has found that ability sadly wanting—the result of what can only be called an intelligence gap. This gap did not stem from a lack of information about the enemy, but from a failure to inquire about and adapt to the very plain evidence of the enemy's intentions and techniques.

Major Krepinevich finds the heart of the problem in what he has named the Army Concept: a focus on conventional war and reliance on high firepower to minimize American casualties. The Army's insistence on this concept caused it to fight in Vietnam the war it wanted to fight rather than meeting the one the enemy actually fought—the people's war. He points out how the U.S. military insisted that the Vietnamese be organized, trained, and armed to fight a Korean-style war, ignoring the kind the Vietnamese communists actually fought against the French, as well as the success the British had in a similar war in Malaya. When the American Army entered the war directly in 1965, it continued its efforts to "find, fix, fight, and finish" the enemy units in best conventional fashion, ignoring the fact that the enemy kept itself difficult to find and broke off contact as soon as possible to resume its penetration of the population and erosion of the local forces to protect them. The major correctly identifies the Tet 1968 attack as the straw that broke the back of American political and popular support of the Army, which led to the American withdrawal and final defeat.

From the Army perspective the account is certainly accurate, and devastating. It does not cover, however, the American civilian and military confidence in the exquisitely calibrated bombing campaign against North Vietnam, the overthrow of President Ngo Dinh Diem, and the long and ultimately feckless negotiations for a "peace" treaty, all equally flawed. Robert Kennedy once said there was enough blame in Vietnam for all to have a share, so the Army Concept is not alone.

And Major Krepinevich shows little awareness that the Americans did participate in what could have been a winning strategy, but too late. The strategic hamlets of 1961-1962 collapsed with the overthrow of Diem, but an ad hoc organization of American and Vietnamese civilians and soldiers did put together a pacification program from 1968-1972 that actually won the "people's war" in the countryside, while 500,000 American troops were being withdrawn. The Vietnamese army, which finally was given priority of training and equipment under General Creighton Abrams, during the same period fought and stopped the North Vietnamese conventional Easter Offensive of 1972, with massive American air and logistical assistance. Saigon fell in 1975 to a conventional North Vietnamese assault, not to barefoot guerrillas. But the American people, turned off by the failure of the Army Concept earlier, refused the necessary air and logistics help that turned the tide in 1972.

Depressing as this account is, it will be valuable if such a serving officer's review of the Army Concept and its failure in Vietnam can open the minds of new officers and their civilian chiefs to the need to design our strategies to meet the real enemies we may face. The French relied, to their defeat, on the Maginot Line, instead of listening to a young officer, Charles de Gaulle, who called in the 1930s for an "Armee Moderne," which Hitler's panzers later constituted. The U.S. must not similarly insist on our kind of war, such as in the Strategic Defense Initiative, at the expense of meeting the real challenges we face from poverty and overpopulation, religious fanaticism, and proxy attacks. ■

**The Army and Vietnam.* Andrew F. Krepinevich Jr. *Johns Hopkins University Press, $26.50.*



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# POLITICAL BOOKNOTES

**Supercarrier**. George C. Wilson *Macmillan, $19.95*. One element has been common to the events marking the re-emergence of America's militarism in the 1980s: the aircraft carrier. That is one reason why George C. Wilson—a *Washington Post* defense correspondent—is to be applauded for going aboard the *John F. Kennedy* for the whole of its eventful 1983-1984 Mediterranean deployment. Another is that, in this year of *Top Gun*, our understanding of the military needs massive doses of human reality.

Many civilians persist in thinking that if there isn't a war on, then military life can't be too taxing. But Wilson's narrative puts across the sheer personal toll of carrier deployments. He not only describes the rigors of many shipboard chores, but by including chaplain's messages, ship's disciplinary hearings, and wives' letters, he also builds an accurate picture of the extreme pressure that crewmembers and their families feel as they deal with uncertainty, separation, and death.

On the military level, Wilson also clears some important ground. The most significant chapter of the book is his account of the December 1983 airstrike launched by bombers from the *Kennedy* and *Independence* against Syrian positions in Lebanon. When the Marines at the Beirut airport were sabotaged in October 1983, the two-carrier force offshore was told to prepare a retaliatory strike. At first, *Kennedy* aircrews thoroughly prepared a nighttime mission against a readily identifiable terrorist complex in the Bekaa valley, only to have it canceled by a "higher authority" after French carrier aircraft struck a nearby target. Then, after one of the *Kennedy*'s overland reconnaissance flights drew Syrian missile fire, another raid was ordered immediately. Time pressure made planning this go-round far from fastidious. Furthermore, now the targets were virtually invisible, dug-in, anti-aircraft positions. Worse still, this attack would be flown in daylight.

And there was confusion about exactly *when*. All the *Kennedy* people thought the launch would be at 11 a.m., but around 5 a.m. they got the word that it would go at 7:20. The timing change was a two-fold disaster: it meant that the pilots would be looking directly into the rising sun as they tried to locate their miniscule targets, and that there wasn't enough time to put the appropriate ordnance on the planes. As a result, most of the ten *Kennedy* bombers took off with inadequate loads. One that didn't had a load too heavy for the evasive maneuvers required by the Syrian anti-air threats. That plane was shot down and its pilot killed. Wilson makes the telling point that in the end, all the bombs actually dropped on the target could have come from one airplane.

Wilson concludes that the target choices and timing were not left to the on-scene commander. When the Navy's top officer, Admiral Watkins, told Wilson he did not know who was responsible for the disastrous rush to launch, it was either a lie or an admission that the command flow doesn't work.

Despite its strengths, something insidious develops in Wilson's book as it unfolds. Wilson starts out trying to cover the whole carrier scene, including such unglamorous aspects as below-deck engineering. But before long, he leaves his ship's company roommate for airwing quarters and increasingly spends his time with aviators—5 percent of the ship's crew. Early on, one fighter pilot told Wilson that "if you don't fly for two or three days on a ship, you start to get irritable, pissed off. Then you fly and you're all right. *Fix* is a great word for it." It wasn't long before Wilson succumbed to the drug. He also seems taken with the flyboys' partying and illegal shipboard drinking. After one fighter flight, this experienced


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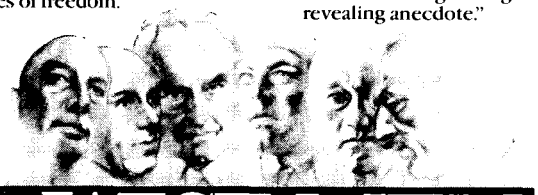

THE WISE MEN

A Book-of-the-Month Club Alternate Selection

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reporter confesses without embarassment that his reaction was "Sign me up!"

Wilson's metamorphosis is not just an incidental detail. It's symptomatic of the biggest problem with our carrier-centered navy. Carrier jet guys are enthusiastic about subjecting their bodies to G-forces and the other demons of high-speed flight. It's not a coincidence that they also tend to drive fast cars and spend ridiculous amounts of time and money in bars and discos. It's because the navy is so influenced by these aviators that it's still so piss-poor on details. Good planning requires patience, scholarship, and originality. And that is precisely the Wrong Stuff. For all his detailed reporting, Wilson's own fascination with carrier aviation provides the strongest explanation of why the navy continues to be dogged by such ills as operational meddling from above and a bias towards "glamor" weapons. There can't be improvements until we stop glorifying a military which goes more by its skin than its skull.

*—Scott Shuger*

**On the Line: The Men of MCI—Who Took On AT&T, Risked Everything, and Won!** Larry Kahaner. *Warner Books, $18.95.* Larry Kahaner's light hearted account of how the little MCI Communications Corp. broke the AT&T monopoly on long-distance telephone service chronicles accurately, but in certain crucial places fails to analyze the events that allowed MCI to survive against incredible odds.

*On The Line* describes MCI's growth from its birth in 1963 to its present status as a $3 billion company whose major shareholder is IBM. A wealth of anecdotes illustrates the inspiration of a midwestern handyman/genius named Jack Goeken, who decided there was no reason why he shouldn't have the right to establish a radio network for truckers, and the grandiose dreams and unrelenting enthusiasm of MCI Chairman William McGowan. There are multiple episodes of corporate espionage—such as MCI obtaining access to confidential Federal Communications Commission and AT&T documents, high-paid officials reading memos backwards on each other's desks, and AT&T finding an MCI access code to allow it to use MCI's network.

Kahaner says he had "complete access" to MCI records and officials, but no MCI employee was allowed to see his book until published. He did not have the same access to AT&T. Some AT&T officials cited ongoing litigation to explain their refusal to talk to him, others allowed themselves to be interviewed but not quoted. As a result, he accepts without challenge some of MCI's positions. He accepts, for example, the MCI line that the controversial service it began marketing to the general public in the mid-70s was legal, despite the fact that the Federal Communications Commission had given it permission to sell only "specialized" services to businesses. The legality of that offering became a central issue in the antitrust cases between MCI and AT&T, and those cases spurred the Department of Justice's antitrust suit against AT&T that resulted in the decision to break up the Bell System. There are extensive court transcripts that Kahaner could have examined to gain the AT&T and FCC perspectives that he does not mention or incorporate.

Neither is the company's hard anti-union stance fully explained. Kahaner explains that while McGowan's family has union roots, he believes that unions do not belong in high-tech corporations and are only needed when management does not care about its employees. Kahaner describes MCI's attempts to keep employees informed about management decisions as one way of curtailing the need for union representation, but never asks the workers themselves whether they benefited.

Yet Kahaner has not totally sugarcoated the MCI story. He says that as soon as MCI got a strong foothold, it gave other long-distance competitors some of the same medicine it had gotten from AT&T, trying, for instance, to stifle Allnet Communication Services, a company started by a former MCI salesman.

*—Anna Zornosa*

**Children at Risk: My Fight Against Child Abuse—A Personal Story and a Public Plea.** Paula Hawkins. *Adler & Adler, $16.95.* Senator Hawkins is against child molesters, she is against kidnappers, she is against child abuse. But what's she going to do about it? According to her new book, *Children at Risk*, not much.

Hawkins, a Florida Republican, is facing a tough reelection battle this fall largely because her record is, to put it generously, undistinguished. It was clear from the beginning of her term that as a senator she was in over her head.

The issue of protecting children was made for a senator such as Hawkins: no one is for *hurting* children. The road Hawkins has cut for herself is, essentially, not the tough one of a legislator but that of a publicist. She uses several pages of this book to describe her congressional battle to get the Missing Children's Assistance Act passed. The act, however, boils down to a technical change in existing law: it allows information about missing children to be fed into the FBI's criminal data base. The bulk of her book is devoted to quoting from letters that victims of child abuse have been moved to send her (Hawkins has revealed that as a five year old she was fondled by an elderly neighbor) and offering advice on how to protect your children. These insights run along the lines of: make sure you know the background of your babysitter, and don't let your children wander off in public places.

Hawkins purports that since she got involved in this issue, she received an award designating her "The Children's Senator." The publication of this book comes at the perfect time for the children's senator to hit the talk show circuit, eyes threatening to spill over with tears, telling voters how much she cares about innocent youth.

It's easy to understand why she (or whoever) wrote this book. It's hard to understand why anyone would take it seriously.

*—Emily Yoffe*



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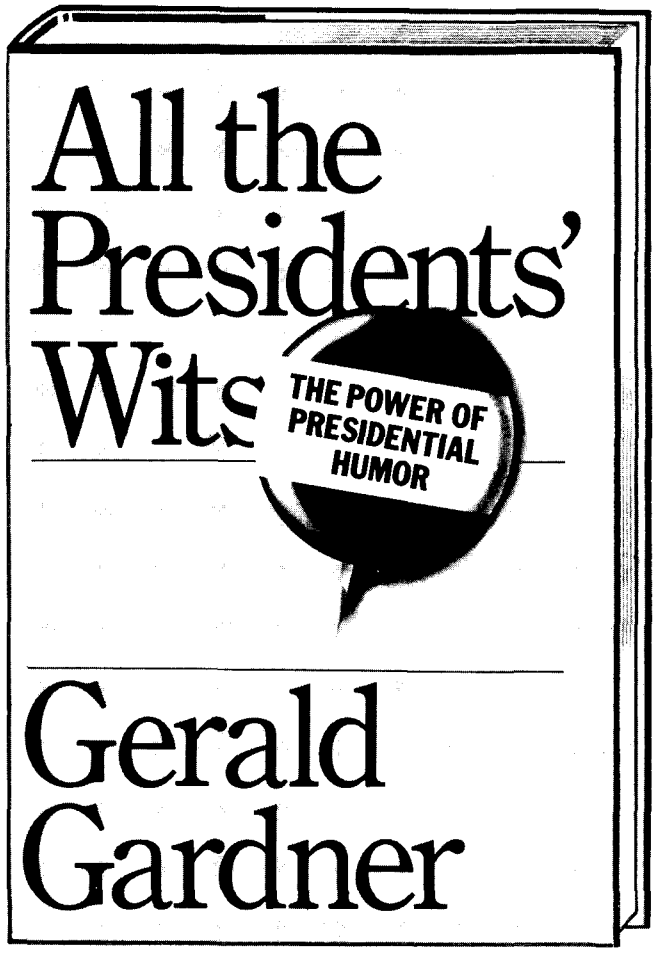


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